



**Board of County Commissioners**  
Office of the Commission Auditor

**Zero-Based Budget Pilot  
Fleet Management Program**

**March 30, 2009**

**Prepared by**



**SHARPTON, BRUNSON & COMPANY, P.A.**  
Certified Public Accountants & Business Consultants

# Zero-Based Budget Pilot Fleet Management Program

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# Zero-Based Budget Pilot Fleet Management Program

## EXECUTIVE SUMMARY

Sharpton, Brunson and Company, P.A. (SBC) was engaged to assist the Office of the Commission Auditor (OCA) in executing its strategic and operational work plans. Specifically, SBC was asked to create and execute a zero-based budget pilot (Pilot) for the Fiscal Year 2009 operating budgets of Team Metro and General Services Administration (GSA) – Fleet Management. This report presents the results of the zero-based budget pilot for Fleet Management.

### ***Introduction***

Zero-based budgeting (ZBB) is a form of program budgeting used to analyze programs to determine their value to the government and its citizens. In its purest form, ZBB assumes departments do not exist and builds its programs from zero resources to its optimum level. The process requires a reevaluation of programs from a zero base each budget cycle by requiring justification of all proposed expenditures. This approach is in direct contrast to traditional incremental budgeting, which assumes there is a guaranteed base budget and that incremental increases and decreases will be the focus of budgetary decisions.

ZBB assists with the allocation of resources based on best value by questioning assumptions, providing tools to review, reprioritize, and potentially recommend elimination of activities, services, or programs that no longer align with organizational objectives. Initially, ZBB appears to be a labor intensive and time-consuming approach that is only applicable to programs that are discretionary. However, when the principles of ZBB are applied practically, it can be used as an effective means to: provide comprehensive reviews and evaluations of budgets to provide justification and support of each program; present budget options at various funding levels and/or service levels; and ultimately, identify what the government is “buying” with taxpayer and other resources at the program level.

To be most effective, ZBB must also include meaningful performance measurements that are relevant to the program or activity being measured with an emphasis on outputs (quantity of units produced) and outcomes (qualitative results). Benefits of ZBB with performance measurement include the following:

- Evaluates program purpose and costs
- Reviews service delivery benefits, alternatives, and consequences of discontinuance
- Promotes transparency and identifies hidden costs
- Identifies potential redundancies
- Presents activity based information for improved decision making
- Useful when overall spending must be reduced

# Zero-Based Budget Pilot Fleet Management Program

- Structures budgets towards objectives and outputs rather than the common classification of functions and inputs
- Allows for calculations of unit costs
- Enables performance audits to determine whether program activities have performed as efficiently as planned

This Pilot was created using zero-based budgeting principles and performance measurement concepts. The Pilot involves the creation of activity-based program budgets that are justified based on program necessity; program placement and organization; and program accountability. Program budget and justification results are used to force the prioritization of activities and present potential budget options.

## ***Methodology and Process***

In order to accomplish our objective SBC's work plan included the following three phases: familiarization; justification; and ranking & decision.

### **Part I – Familiarization**

Prepare an inventory of programs, services and activities; and the associated cost and performance data available for each County Department/Program selected for participation in the Pilot.

- Obtain and document understanding of programs, services and activities by reviewing mission, goals, objectives, organizational structure, and other information as deemed necessary.
- Review financial framework including:
  - Source(s) of funding;
  - Level of detail used to track, monitor, and report budgets and financial results; and
  - Types of revenue generated by fees and user charges including rate calculations and allocation methodologies, if any.
- Review or prepare historical financial information.
- Review current performance measures and related benchmarks.

### **Part II – Justification**

Perform justification review of programs, activities and expenditures identified in Part I.

- Confirm activities represent discrete units that are appropriate for justification. (Discrete units, commonly referred to as decision units, are activities that can be performed without materially affecting the deliverability of another activity).
- Identify input resources (personnel, equipment, office space, etc.) required to perform each activity.

# Zero-Based Budget Pilot Fleet Management Program

- Determine whether input resources represent fixed or variable costs.
- Collect and utilize necessary data regarding workload and/or other analyses to determine how efforts are allocated among activities.
- Calculate cost of each activity.
- Determine the appropriate output measure to calculate unit costs (efficiency measure) for each activity.
- Recommend enhanced performance measures and potential benchmarks using other County departments, other governments and private industries providing similar services, as appropriate.

## **Part III – Ranking & Decision**

Prepare potential budget options “decision packages” to present the department or program budget based on varying service levels and/or funding levels.

- Develop a proposed ranking process to be used by the department to perform priority rankings for each activity.
- Review department priority rankings.
- Prepare activity budgets in order of priority rankings.
- Determine appropriate decision package service levels (i.e. basic level, current level, and enhanced level) or funding levels (i.e. 50%, 80% 90% of current level).
- Prepare decision packages at agreed upon levels of service or funding levels, if applicable.

*Note: SBC's observations and findings are limited by the reliability of the information provided to SBC by Miami-Dade County.*

## **Key Results and Observations**

- The Pilot was created using practical applications of the following zero-based budgeting principles:
  - Activity-Based Budgeting
  - Program Justification
  - Activity Rankings
  - Decision Packages
- The current program/activity structure utilized by the County in its program budgeting system was reconfigured using a program/service/activity structure. As a result, GSA's Fleet Management Program was divided into five (5) services and sixteen (16) activities, which formed the basis of the activity-based budget, program justification and activity rankings contained in this analysis.

# Zero-Based Budget Pilot Fleet Management Program

- The activity-based budget presented below was prepared using activity-based costing and presents the FY 2008/09 adopted program budget by service and activity with associated unit costs.

Fleet Management Program Activity-Based Budget and Unit Costs

Service/Activity	Unit of Measure	Number of Units	Unit Cost	FY 2008/09 Allocated <sup>1</sup>
<b>Vehicle and Equipment Acquisition</b>				
Vehicle Specification Preparation	Number of Specifications Prepared	20	\$ 7,892.14	\$ 157,843
Fleet Assessment	Number of Vehicles and Equipment Tracked	11,321	5.88	66,580
Vehicle Licensing and Title Coordination	Number of Licenses and Titles Maintained	203 <sup>2</sup>	210.63	42,757
Vehicle Acquisition and Preparation	Number of Vehicles and Equipment Purchases	500	1,665.88	832,939
Vehicle Lease and Rental Management	Number of Vehicles Leased/Rented	22 <sup>2</sup>	1,061.00	23,342
Total Operation and Maintenance				1,123,461
Total Capital Outlays				22,573,825
Service Subtotal				23,697,286
<b>Vehicle and Equipment Maintenance and Repair</b>				
Light Equipment Maintenance and Repair	Number of Vehicles Maintained	7,336	2,404.48	17,639,271
Heavy Equipment Maintenance and Repair	Number of Vehicles and Equipment Maintained	2,162	12,610.70	27,264,327
Equipment Pool and Loaner Operation	Number of Pool and Loaner Vehicles	571	490.71	280,195
Total Operation and Maintenance				45,183,792
Total Capital Outlays				5,565,643
Service Subtotal				50,749,435
<b>Fuel</b>				
Environmental Operations	Gallons of Fuel Dispensed	12,700,000	0.02	233,628
Fuel Operations	Gallons of Fuel Dispensed	12,700,000	3.40	43,184,586
Total Operation and Maintenance				43,418,214
Total Capital Outlays				1,095,559
Service Subtotal				44,513,773
<b>Vehicle and Equipment Disposal</b>				
Equipment Disposal	Number of Vehicles and Equipment to be Disposed of	800 <sup>2</sup>	340.75	272,602
Total Operation and Maintenance				272,602
Total Capital Outlays				17,973
Service Subtotal				290,575
<b>TOTAL BUDGET</b>				<b>\$119,251,069</b>

<sup>1</sup> Includes prorata allocation of general overhead, which is comprised of administration and support activities and the indirect cost pool.

<sup>2</sup> Projected number of units based on FY 2007/08 actual results.

# Zero-Based Budget Pilot Fleet Management Program

- Program and activities were justified using the following three (3) criteria:
- Program necessity
  - Program placement and organization
  - Program accountability

The following tables highlight key results from the program justification phase of the Pilot.

**Program Justification Summary**

<b>Program Necessity</b>	
Legal Mandate	Yes
Links to Approved Priorities <ul style="list-style-type: none"> <li>• Ordinance 08-08 annual budget priorities and policy objectives</li> <li>• Ordinance 05-136 (resource allocation based on Strategic Plan Priority Outcomes)</li> </ul>	No  Yes
• Demand for Service	Varies by activity
• Duplication of Services	Yes – The Aviation, Fire, Parks, Police, Water & Sewer and Transit departments each perform some of their own acquisition and/or maintenance and repair services.
• Impact if Not Funded	Elimination of the Program would result in reassignment of fleet activities to user departments who would then take on responsibility for requisitioning, assigning, maintaining, disposing, tracking and reporting on department-level fleets. The complete decentralization of the County's fleet would lead to significant increases in fleet costs, further duplication of services and a lack of department focus on core program missions.

<b>Program Placement and Organization</b>	
Program rests with department most appropriate to perform service	Yes
Program as currently organized lends itself to successful execution of goals and objectives	Yes

<b>Program Accountability</b>	
Program Performance	Performance measures should be expanded to include information on fleet size and composition, vehicle and equipment utilization and fleet ownership costs to provide policy and program decision-makers with a fleet profile that gives context to the budget and establishes baselines for future initiatives to improve program effectiveness and efficiency.
Program and Performance Reviews	Yes
Percent of Costs Covered by Proprietary Fees	FY 2008/09 revenues from user fees and charges, sale of retired vehicles and interest income total approximately \$119.2 million or 99.99% of total allocated program costs.
Current Initiatives to Increase Efficiency or Effectiveness	Current initiatives include implementation of new fleet management software, updating fuel procedures and security measures and developing a new fuel purchasing contract.

# Zero-Based Budget Pilot Fleet Management Program

- The results from the activity-based budget, program justification and activity rankings were utilized to prepare decision packages (budget options) that focus on fleet management practices to promote cost savings and enhanced cost control. The following table provides a listing of fleet management practices outlined in each decision package and whether they are currently utilized to manage the Program. Any items marked with a “✓” in the “no” column represents an opportunity to increase the cost effectiveness of fleet operations.

Decision Package Summary<sup>1</sup>

DECISION PACKAGE/Fleet Management Practice	Current Practice	
	Yes	No
<b>DECISION PACKAGE ONE – FLEET SIZE AND COMPOSITION</b>		
Right-sizing		
Right-sizing study performed	✓	
Vehicle Allocation Table maintained		✓
Vehicle assignment and utilization		
Vehicle assignments justified		✓
Utilization guidelines established		✓
Utilization reviews performed		✓
<b>DECISION PACKAGE TWO – VEHICLE AND EQUIPMENT REPLACEMENT PLANNING</b>		
Replacement guidelines established		✓
Long-term replacement plan prepared		✓
Reserve funds maintained for all vehicle and equipment replacements		✓
<b>DECISION PACKAGE THREE – COST COMPETITIVENESS</b>		
Effective communication of chargeback rate methodology to customers	✓	
Chargeback rates recover all costs	✓	
Chargeback rates are serviced based	✓	
Transaction-based billing provided to customers	✓	
Chargeback rates externally benchmarked	✓	
Chargeback rates internally benchmarked		✓
<b>DECISION PACKAGE FOUR – MEASURES OF COST AND SERVICE</b>		
Fleet Operations		
Measures for cost of service reported		✓
Measures for cost competitiveness reported	✓	
Measures for service levels reported	✓	
Measures for service quality reported	✓	
Measures for productivity reported	✓	
Replacement Planning		
Measures for cost reported		✓
Measures for adherence to replacement guidelines reported	✓	
Fleet Asset Management		
Measures for fleet size reported	✓	
Measures for fleet age reported	✓	
Measures for fleet utilization reported		✓

<sup>1</sup> Some of the fleet management practices included in this analysis are heavily influenced by fleet customers and policy and program decision makers; and therefore, are not the sole responsibility of the Fleet Management Program.



# Zero-Based Budget Pilot Fleet Management Program

## **Next Steps**

Following are potential next steps to further enhance the budget review process:

- Evaluate adequacy of current program and activity definitions currently used by the County and consider revising based on results of this analysis
- Perform detailed activity analysis including process mapping and workload analysis to identify potential areas for cost savings and program improvement
- Incorporate additional performance measures and indicators of fleet cost, size, age, utilization and replacement cycle management to establish baselines for evaluating future initiatives to improve program effectiveness and efficiency
- Refine unit cost calculations to calculate marginal costs and identify impact of revised performance goals and alternate service levels
- Conduct program reviews and performance audits
- Develop formal program justification criteria for improved accountability
- Develop formal priority setting model for increased transparency

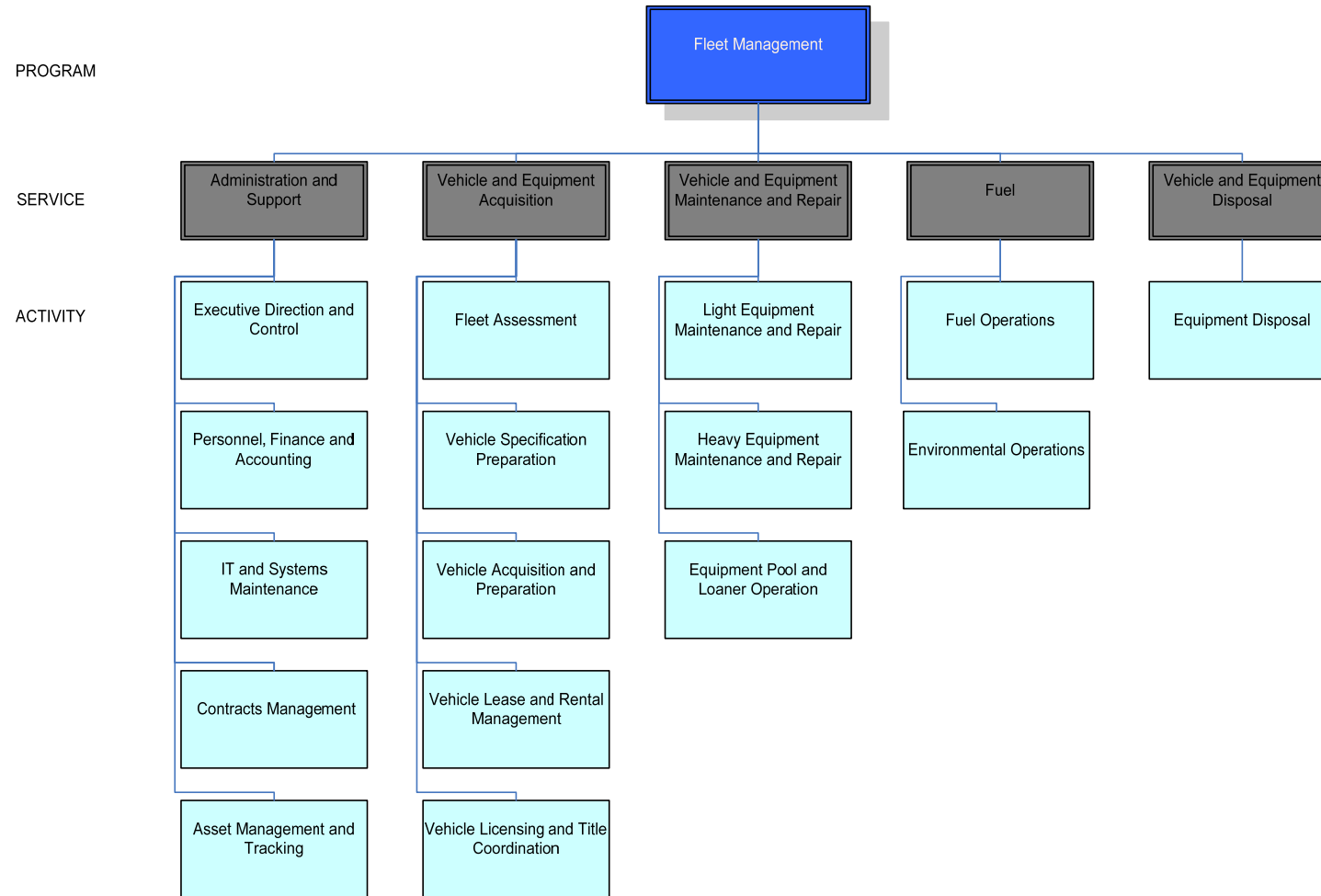
We would like to thank the Office of the Commission Auditor, GSA Fleet Management, and the Office of Strategic Business Management for their assistance in completing this task.

A handwritten signature in black ink that reads "Sharpton Brunson & Company, P.A." in a cursive, flowing script.

Sharpton, Brunson & Company, P.A.

March 30, 2009

# Zero-Based Budget Pilot Fleet Management Program



# Zero-Based Budget Pilot Fleet Management Program

## OBJECTIVE

Create and execute a zero-based budget pilot for the FY 2008/09 operating budget of the Fleet Management Program utilizing zero-based budgeting principles and performance measurement concepts by:

- Developing activity-based program budget,
- Justifying program,
- Prioritizing program activities, and
- Presenting potential budget options.

# Zero-Based Budget Pilot Fleet Management Program

## BACKGROUND

The County has utilized program budgeting since the enactment of the Citizen's Bill of Rights of the Miami-Dade County Home Rule Amendment and Charter (Home Rule) which stipulates that a program level budget must be presented in conjunction with the budget required by state statute (F.S. Chapter 129). In 2005, the Miami-Dade County Board of County Commissioners (BCC) approved Ordinance 05-136, Governing for Results, which further refined the program level budget requirement of the Home Rule by requiring that County resource allocation (budgeting) be based on the planning, measuring and monitoring of program performance in relation to the County's Strategic Plan.

Under the current program budgeting structure, each department is comprised of programs and activities. The following table presents activities maintained in the financial systems for the General Services Administration Department's Fleet Management Program.

Current Fleet Management Program and Activities

Program	Activity
Fleet Management	Director's Office
	Light Equipment Maintenance
	Heavy Equipment Maintenance
	Vehicle Replacement Program
	Environmental Operations
	Building Program

Source: RFRO

## ***Financial Systems***

There are four (4) primary systems used to develop, track, monitor and report budget and financial information: Financial Accounting Management Information System (FAMIS), Automated Budget Development System (ABDS), Resourcing for Results Online (RFRO), and Capital Development Program (CDPWeb).

FAMIS is the general ledger system that officially tracks and records the County's financial activities. ABDS is the system utilized for the creation and modification of the budget. FAMIS and ABDS are traditional accounting and budgeting systems that utilize the same general structure of accounts: Department, Fund, Division, Section, and Index Code. At least twice a year FAMIS and ABDS are linked so that the prior year's financial results from FAMIS can be downloaded into ABDS (December) and ABDS budget amounts can be uploaded into FAMIS (October).

RFRO and CDPWeb are stand alone systems that utilize summarized information that has been manually entered by each County department to create the Proposed Resource Allocation and Multi-Year Capital Plan. RFRO is designed to link higher level financial information with text, performance measures, and statistics for the operating budget approval process. CDPWeb is utilized to display relevant information by project for the capital budget and multi-year capital plan.

# Zero-Based Budget Pilot Fleet Management Program

In order to obtain the level of detail required to perform our analysis we utilized data contained in FAMIS for actual results and ABDS for budgets and projections, as available. These systems provide detailed financial information and reports by organizational structure and by program. Any differences noted between FAMIS/ABDS and RFRO have been noted in our analysis.

## ***Program Overview***

The Fleet Management Program is operated as one of eight divisions of the General Services Administration Department and is responsible for the acquisition, maintenance, fueling and disposal of the County's fleet (light and heavy mobile equipment), subject to certain exclusions. In addition, the Program provides maintenance and fueling to approximately 22 non-county jurisdictions and administers the Vehicle Replacement Trust Fund (a voluntary light equipment reserve fund for future replacements). The following tables provide a summary of service exclusions and non-county jurisdictions served.

Summary of County Departments Excluded, Non-County Jurisdictions Served and Outsourced Services

SERVICE/Activity	County Departments Excluded	Non-County Jurisdictions Served	Outsourced Services
<b>ACQUISITION</b>			
Vehicle Acquisition	<ul style="list-style-type: none"> <li>• Transit</li> <li>• Aviation</li> <li>• Police</li> <li>• Fire</li> <li>• Water and Sewer</li> </ul>	<ul style="list-style-type: none"> <li>• Jackson Memorial Hospital<sup>2</sup></li> <li>• State Attorneys Office</li> <li>• State County Health Dept.</li> <li>• South Florida Education and Training Council</li> </ul>	
Vehicle Lease and rental Management	<ul style="list-style-type: none"> <li>• Police</li> </ul>		
<b>MAINTENANCE</b>			
Light Equipment Maintenance and Repair	<ul style="list-style-type: none"> <li>• Aviation</li> </ul>	<ul style="list-style-type: none"> <li>• Jackson Memorial Hospital<sup>2</sup></li> <li>• State Attorneys Office</li> <li>• State County Health Dept.</li> <li>• South Florida Education and Training Council</li> <li>• City of Doral</li> </ul>	<ul style="list-style-type: none"> <li>• All Body work and Glass work</li> <li>• Some major engine repairs, air conditioning, transmission and other repairs as needed</li> </ul>
Heavy Equipment Maintenance and Repair	<ul style="list-style-type: none"> <li>• Aviation</li> <li>• Parks and Recreation<sup>1</sup></li> <li>• Fire (Fire Suppression Apparatus)</li> <li>• Water and Sewer</li> <li>• Transit (Buses)</li> </ul>	<ul style="list-style-type: none"> <li>• Jackson Memorial Hospital<sup>2</sup></li> <li>• State County Health Dept.</li> </ul>	<ul style="list-style-type: none"> <li>• All Body work and Glass work</li> <li>• Some major engine repairs, air conditioning, transmission and other repairs as needed</li> </ul>
Equipment Pool and Loaner Operation	Loaners are limited to participants of the Vehicle Replacement Program for light equipment. Departments that do not participate include: <ul style="list-style-type: none"> <li>• Transit</li> <li>• Aviation</li> <li>• Water and Sewer</li> </ul>	<ul style="list-style-type: none"> <li>• Jackson Memorial Hospital<sup>2</sup></li> <li>• State Attorneys Office</li> <li>• State County Health Dept.</li> <li>• South Florida Education and Training Council</li> </ul>	

# Zero-Based Budget Pilot Fleet Management Program

FUELING			
Fuel		<ul style="list-style-type: none"> <li>• City of Miami</li> <li>• Florida Highway Patrol</li> <li>• City of Miami Springs</li> <li>• Sunny Isles Beach</li> <li>• City of Sweetwater</li> <li>• Miami-Dade County Public Schools</li> <li>• Federal Bureau of Investigations</li> <li>• Indian Creek Village</li> <li>• Miami Parking System</li> <li>• North Bay Village</li> <li>• Office of the Attorney General</li> <li>• Town of Cutler Bay</li> <li>• US Marshalls</li> <li>• Village of El Portal</li> <li>• Village of Key Biscayne</li> <li>• Village of Virginia Gardens</li> <li>• State Attorney's Office</li> <li>• SFETC</li> <li>• Jackson Memorial Hospital<sup>2</sup></li> <li>• State Department of Children and Families</li> <li>• City of Doral</li> <li>• State County Health Dept.</li> </ul>	
DISPOSAL			
Equipment Disposal	Departments that own vehicles outside of GSA Fleet Management including but not limited to: <ul style="list-style-type: none"> <li>• Aviation</li> <li>• Seaport</li> <li>• Parks and Recreation</li> <li>• Water and Sewer</li> <li>• Solid Waste</li> <li>• Public Works</li> </ul>	<ul style="list-style-type: none"> <li>• Jackson Memorial Hospital<sup>2</sup></li> <li>• State Attorneys Office</li> <li>• State County Health Dept.</li> <li>• South Florida Education and Training Council</li> </ul>	

<sup>1</sup> Parks and Recreation Department heavy equipment maintenance and repair is in the process of being transferred to Fleet Management.

<sup>2</sup> Jackson Memorial Hospital planned to discontinue use of Fleet Management fuel as of Oct. 1, 2008; however, the transition has not been finalized.

Program services are provided through a central office, a vehicle processing facility, 19 shop locations (12 light equipment and 7 heavy equipment) and 28 fuel sites located throughout the County.

# Zero-Based Budget Pilot Fleet Management Program

## Program Cost and Funding

Program Costs and Funding FY 2005/06 – 2008/09

Description	2005/06 Actual	2006/07 Actual	2007/08 Actual <sup>1</sup>	2008/09 Budget	\$ Change	% Change
<b>Program Expenditures<sup>2,3</sup></b>						
Personnel (Salaries & Fringe Benefits)	\$ 19,537,772	\$ 20,279,751	\$ 21,144,404	\$ 21,971,237	\$ 826,833	3.9%
Other Operating	56,089,407	56,725,740	72,027,906	75,670,832	3,642,926	5.1%
Capital	21,422,487	36,140,290	13,626,007	21,609,000	7,982,993	58.6%
Total Operating Expenditures	\$ 97,049,666	\$ 113,145,781	\$106,798,317	\$ 119,251,069	\$ 12,452,752	11.7%
<b>Program Revenues</b>						
Physical Environment	\$ 974,229	\$ 974,850	\$ 1,089,218	\$ 1,192,000	\$ 102,782	9.4%
Other Charges for	95,883,067	104,376,809	104,930,469	110,144,000	5,213,531	5.0%
Interest Earnings	396,351	370,395	81,616	300,000	218,384	267.6%
Fixed Assets	1,365,376	1,153,942	1,185,650	1,500,000	314,350	26.5%
Other Miscellaneous	-	299,775	155,669	-	(155,669)	-100.0%
Interfund Transfer	1,000,000	3,100,000	2,100,000	2,100,000	-	0.0%
Non operating Source	-	-	-	4,009,000	4,009,000	
Total Operating Revenues	\$ 99,619,023	\$ 110,275,771	\$109,542,622	\$ 119,245,000	\$ 9,702,378	8.9%
<b>Supplemental Information</b>						
Budget Full Time Equivalent (FTE)	257	272	273	274	1	.4%
Actual FTE	239	258	263			
Number of Vehicles – Light <sup>4</sup>	7,882	7,697	7,929	7,336 <sup>5</sup>	-593	-7.5%
Number of Vehicles and Equip – Heavy <sup>4</sup>	1,822	2,152	2,137	2,162 <sup>5</sup>	25	1.2%

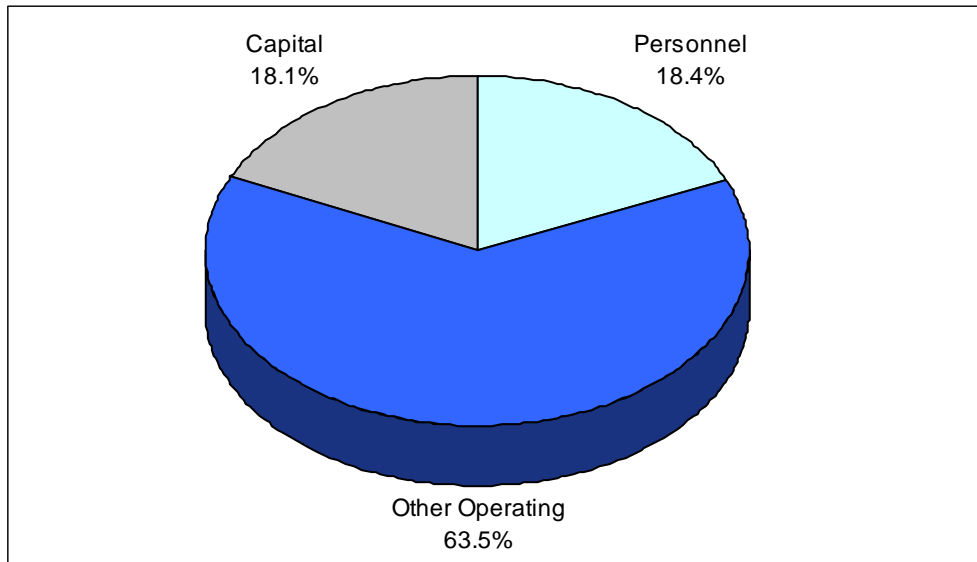
Source: FAMIS, ABDS, and Departmental Records

- <sup>1</sup> FY 2007/08 actual amounts are preliminary and may be subject to adjustment based on completion of the closing process and the independent audit.
- <sup>2</sup> Program expenditures presented in this table may differ significantly from those presented under the activity-based costing approach used in this analysis.
- <sup>3</sup> See Appendix 1 for detailed program costs by object code
- <sup>4</sup> Amounts represent the number of units maintained by the Program according to inventory reports dated October 2005, 2006, 2007 and 2008.
- <sup>5</sup> See Appendix 2 for Vehicle and Equipment Count by Department

# Zero-Based Budget Pilot Fleet Management Program

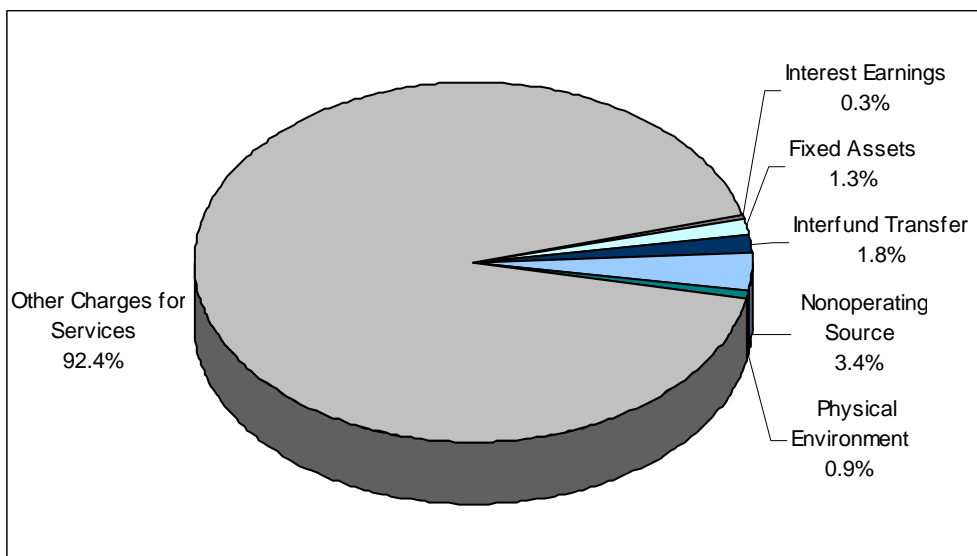
The fiscal year 2008/09 operating budget for the Program is approximately \$119.3 million and is comprised of personnel, other operating and capital expenditures.

FY 2008/09 Program Expenditures



Personnel consist of salaries and fringe benefits for 274 full-time equivalents, 249 or 90.9% of whom are light and heavy maintenance operations personnel. Fuel and automotive repair parts are budgeted at \$42.8 million and \$11.5 million, respectively and together make up 71.8% of the other operating component of the budget. The capital component of the budget is primarily comprised of vehicle and equipment acquisition costs which total \$20.3 million or 93.9%.

FY 2008/09 Program Revenues





# Zero-Based Budget Pilot Fleet Management Program

Funding for the Program is primarily derived from other charges for services (internal service charges) which make up 92.4% of budgeted operating revenues for fiscal year 2008/09. Internal service charges consist of amounts recovered for internal support services provided by the Program for the continued operation of the County government and include charges for maintenance and repairs (light and heavy); fueling; and the use of pool and loaner vehicles. Maintenance and repairs costs are recovered through a labor rate for in-house personnel and markups on invoices for outsourced services (commercial repairs) and parts. Fuel costs are recovered through a surcharge added to the cost per gallon of fuel dispensed. Pool vehicle costs are recovered through a cost per mile plus and hourly rate. Loaner vehicle costs are recovered through a cost per mile. The following table summarizes the various rates and charges established for FY 2008/09:

FY 2008/09 Rates and Charges

Service	Description	Rate/Charge
Maintenance and Repairs	Hourly Labor Rate - Light	\$71.00
	Hourly Labor Rate - Heavy	\$71.00
	Parts Invoice Markup – Light	25%
	Parts Invoice Markup – Heavy	20%
	Outsourced Repairs Invoice Markup – Light	12%
	Outsourced Repairs Invoice Markup - Heavy	12%
	Hourly Maintenance and Repairs Labor Surcharge	\$2.00 per hour for all departments that do not participate in the vehicle replacement fund
Fuel	Fuel surcharge per gallon of fuel dispensed	\$.05 for internal customers
		\$.10 for external customers
		\$.08 all customers (internal and external) for mandated environmental/fueling projects
Motor Pool	Per Mile Usage Rate	\$.27
	Hourly Usage Rate	\$1.75 to \$4.50 for replacement of pool vehicles
Loaner	Per Mile Usage Rate	\$.30

Additional revenue sources for the program totaling \$9.1 million in FY 2008/09 include:

- Physical environment – Per gallon fuel charge for environmental/fueling projects
- Interest earning – Interest earned on Vehicle Replacement Trust Fund balance
- Fixed assets – Salvage value of retired vehicles and equipment including proceeds from actions sales and amounts recovered from scrap
- Interfund transfer – Transfer of amount recovered from user departments to building fund for facility improvements
- Non operating sources – Carryover from the capital program

# Zero-Based Budget Pilot Fleet Management Program

## Rates and Charges

Program rates and charges are structured to recover program and allocated department-level direct and indirect costs associated with the delivery of Fleet services. Each year, labor rates are established based on budget projections for the ensuing year. The following four (4) steps outline the general process and methodology for establishing the light equipment maintenance and repair labor rate (light rate) and the heavy equipment maintenance and repair labor rate (heavy rate):

### ***STEP I DETERMINE EXPENDITURE BASE***

The first step in this process determines which Program costs will be recovered from user departments through the light rate and which costs will be recovered through the heavy rate. The light rate base is comprised of 100% of the light equipment and repair base budget (Fund 050 section GS0202) plus 50% of the administrative services budget (Fund 050 section GS0201). The other 50% of the administrative services budget is added to the base budget for heavy equipment and repairs (Fund 050 section GS 0204) expenditures to reach the heavy rate base.

### ***STEP II IDENTIFY REVENUE OFFSETS***

Step II involves determining which program revenues can be used to offset expenditures included in the light and heavy rate bases identified in Step I. The offsets for the light and heavy rate bases are derived from the following five (5) sources:

1. Fuel Revenues – Cost plus per gallon fee of \$0.05 for internal customers and \$0.10 for external customers to cover the cost of facilities and administrative fees. (Fuel revenues exclude \$0.08 per gallon charge for environmental and fueling projects.)
2. Commercial Repair Revenues – Cost plus 12% of all invoices for outsourced services.
3. Parts Revenues – Cost plus 25% for light repairs and 20% for heavy repairs.
4. Shop Expendables Revenues – Fixed amount added to each repair order to cover the total cost of supplies and incidental small parts used throughout the year.
5. Warranty Recovery Revenues – Amounts recovered through outside contractor for warranty claims.

In addition to the above named revenue offsets, the light rate includes revenue from mileage charges for pool and loaner vehicles of \$0.27 and \$.030, respectively. (Revenues from the hourly charge for pool vehicles are excluded, as these funds are utilized for vehicle replacements.)

# Zero-Based Budget Pilot Fleet Management Program

## ***STEP III ESTIMATE BILLABLE HOURS***

The total number of billable hours used in the labor rate calculation is determined by reducing the total number of annual work hours per employee (2,080) by the estimated number of hours to be utilized for sick leave, vacation, administrative leave, holidays, training, etc. The result, total available hours per employee, is then reduced by 5% to reach the expected billable hours per employee. The number of billable hours is then multiplied by the number of light equipment employees (70) or heavy equipment employees (107) to determine total billable hours. Total billable hours for light equipment is further reduced by the number of hours expected to be spent on pool and loaner vehicles. The FY 2008/09 pool/loaner estimate is 5,000 hours.

## ***STEP IV CALCULATE LABOR RATE***

The total expenditures included in the light and heavy rate bases calculated in Step I are reduced by the respective revenue offsets from Step II. The remaining expenditures are then divided by the total billable hours calculated in Step III to determine the labor rate. Minimal adjustments may be made based on known factors, prior experience and anticipated operating conditions.

The following table provides the labor rate calculation for light equipment maintenance and repair services:

# Zero-Based Budget Pilot Fleet Management Program

## Labor Rate Calculation – Light Equipment Maintenance and Repair Services

<b>Step I Expenditures</b>	
Base Budget	\$ 38,373,000
1/2 of Administration	1,709,000
<b>Total Step I</b>	<b>\$ 40,082,000</b>
<b>Step II Revenues</b>	
Fuel	\$ 21,830,000
Commercial Repair	4,144,000
Parts	4,625,000
Shop Expendables	300,000
Pool/Loaner Mileage	1,000,000
Warranty Recovery	80,000
<b>Total Step II</b>	<b>\$ 31,979,000</b>
<b>Step III Billable Hours</b>	
Available Hours	\$ 2,080
Less Avg Sick, Training, Etc	(300)
Net Available Hours	\$ 1,780
Multiplied by % on Clock	95%
Billable Hours Per Employee	\$ 1,691
Multiplied by Number of Employees	70
Light Equipment Billable Hours	\$ 118,370
Less: Time Spent on Pool/Loaners	(5,000)
<b>Total Step III</b>	<b>\$ 113,370</b>
<b>Step IV</b>	
Total Step I	\$ 40,082,000
Less: Total Step II	(31,979,000)
Remainder	\$ 8,103,000
Divided by Total Step III	113,370
<b>Labor Rate</b>	<b>\$ 71.47</b>
<b>Final Labor Rate</b>	<b>\$ 71.00</b>

# Zero-Based Budget Pilot Fleet Management Program

## ACTIVITY-BASED BUDGETING

The results presented in this analysis are based on practical applications of the following four zero-based budgeting principles: (1) activity-based budgeting; (2) program justification; (3) priority rankings; and (4) decision packages. The foundation of this analysis is activity-based budgeting which is utilized to present program budgets at the activity level based on the types of service provided. In order to achieve this, we reviewed programs in relation to the services provided and activities performed by reviewing responses to the following:

- What does the program do?
- What services are performed?
- Who are the program's customers (internal and external)?
- What do customers receive as an end output? and
- What groups of activities form the services performed?

Based on the results of this exercise, we defined the Program's services and activities by dividing the program into services, which define the product or benefit to the County and subdividing services into specific activities performed to deliver services. As a result of this definition process, the Fleet Management Program includes five (5) services and sixteen (16) activities as listed in the following table. These services and activities, as defined, formed the basis for the development of activity-based budgets using activity-based costing.

# Zero-Based Budget Pilot

## Fleet Management Program

### Fleet Management Service and Activity Definition

Program <sup>1</sup>	Service <sup>2</sup>	Activity <sup>3</sup>
Fleet Management	Administration and Support	Executive Direction and Control - includes program management, executive leadership and policy oversight.
		Personnel, Finance, and Accounting – includes all program personnel, finance and accounting tasks as well as managing the vehicle replacement and building funds.
		IT and Systems Maintenance – includes infrastructure support and maintenance of the following program computer networks and database applications: Equipment management system, EJ Ward automated fueling system, Reporting server and Fleet web applications.
		Contracts Management – includes negotiating and monitoring major contracts for the purchase of goods and services required to acquire, maintain and operate vehicles and equipment. Also includes maintenance and monitoring of service contracts with non-county departments.
		Asset Management and Tracking - includes managing and tracking fleet from acquisition through disposal.
	Vehicle and Equipment Acquisition	Fleet Assessment – includes monitoring vehicle utilization and mileage to project the number and type of vehicles that may be replaced in the ensuing year as well as the number and type of vehicles that may be under utilized.
		Vehicle Specification Preparation - includes determining the types of vehicles required to fulfill specific requirements and ensures that vehicles purchased meet all regulatory requirements for use.
		Vehicle Acquisition and Preparation - includes procurement of heavy and light equipment for various County departments.
		Vehicle Lease and Rental Management - includes management of lease and rental agreements.
		Vehicle Licensing and Title Coordination - includes coordinating the registration and licensing of all vehicles acquired through the Program.
	Vehicle and Equipment Maintenance and Repair	Light Equipment Maintenance and Repair - includes preventive maintenance, repairs, repair order and vehicle history administration, and stockroom operations.
		Heavy Equipment Maintenance and Repair - includes preventive maintenance, repairs, repair order and vehicle history administration, and stockroom operations.
		Equipment Pool and Loaner Operation - includes fleet motor pool vehicles available for rent and temporary vehicle Loaners to be used while vehicles are being maintained or repaired.
	Fuel	Fuel Operations - includes maintaining and operating 28 fueling sites throughout the county, supporting all County departments, as well as other non-county entities.
		Environmental Operations - includes coordinating the execution of infrastructure improvements to meet EPA mandates at the 28 fueling sites and 19 repair shops.
	Vehicle and Equipment Disposal	Equipment Disposal - includes reviewing vehicles and equipment to ensure that they are eligible for disposal and coordinating auctions for asset disposal.

<sup>1</sup> Program – Separately identifiable and managerially discrete function within a County department that is designed to meet a mandate or defined citizen need.

<sup>2</sup> Service – Group of related activities that produces a department's main products or services.

<sup>3</sup> Activity – Work units (business processes) designed to meet program objectives that are clearly defined with specific timeframes and measurable output.

# Zero-Based Budget Pilot Fleet Management Program

## Activity-Based Costing

Activity-based costing (ABC) is a cost accounting tool that is used to identify the costs of producing products or providing services by assigning direct and indirect costs to activities based on its consumption of resources. The advantage of ABC over traditional cost accounting is that it generally allows for estimates of total costs that are more accurate by replacing a single indirect cost pool with activities. The use of activities converts costs that would otherwise be considered indirect costs into costs that can be directly assigned to activities as direct costs. The remaining indirect costs are allocated to activities using a resource driver (a variable that affects the cost of the activity); and finally, activities are directly assigned to cost objects or allocated using an activity cost driver (variable that affects the cost of the service).

In government, ABC is generally used for one or more of the following five (5) purposes:

1. Rate setting
2. Managed competition
3. Service redesign
4. Activity based budgeting
5. Process Improvement

The sophistication of the methodology used is dictated by the purpose of ABC. For example, full costing should be used for rate setting and managed competition while a more simple method may be used for service redesign, activity based budgeting and process improvement.

For the purpose of this analysis, we utilized a more simplified approach than would be required under full costing. The steps we utilized to develop the activity-based budget were as follows:

### **STEP I**

We obtained a schedule of resources required to execute the Program at the staffing and service levels currently budgeted in the FY 2008/09 Proposed Budget and Multi-Year Capital plan, as adopted (see Exhibit 1).

# Zero-Based Budget Pilot Fleet Management Program

## **STEP II**

Resources were categorized as follows: direct costs, program specific overhead and general overhead at the object level (see Exhibit 2). Direct costs are personnel and other costs that have a directly traceable relationship with direct service activities. Program specific overhead are costs that are essential to performing direct service activities, but are not directly associated with producing a unit of output or outcome (i.e. fuel tank replacements to meet EPA mandates); and general overhead are costs that provide support, but cannot be readily associated with direct service activities (i.e. executive direction and administrative support).

## **STEP III**

Direct costs, program specific overhead and general overhead were assigned to activities at the object code level using one of the following three methods: direct tracing; cause-and-effect basis; or prorata basis using a threshold of \$1 million. Resources that have a directly traceable relationship to activities were assigned using direct tracing; resources that were assigned based on the extent to which they are caused by and contribute to an activity were assigned on a cause-and-effect basis. The remaining costs that met our threshold were allocated on a prorata basis utilizing selected methodologies, as appropriate. All remaining resources (resources below our threshold) were allocated to the indirect cost pool. Amounts included in the indirect cost pool represent resources that have a general relationship to activities or the effort required to perform allocations is greater than the benefits to be derived (see Exhibit 3).

The following table presents descriptions and allocation methods used to assign costs for all object codes meeting our threshold.



# Zero-Based Budget Pilot

## Fleet Management Program

### Allocation Methods by Object Code

Object Code	Description	Allocation Methodology <sup>1</sup>
1-100	Personnel Costs: <ul style="list-style-type: none"> <li>Salaries and Fringe Benefits for 274 budgeted full-time equivalent positions</li> </ul>	<ul style="list-style-type: none"> <li>Direct Tracing - Estimated % of Staff Time Devoted to Each Activity (see Appendix 3)</li> </ul>
240	Outside Contractual Services: <ul style="list-style-type: none"> <li>Outsourced heavy and light maintenance and repairs</li> <li>Installation and removal of decals and police cages</li> </ul>	Direct Tracing <ul style="list-style-type: none"> <li>Direct Tracing - Allocated to Vehicle Acquisition and Preparation and Vehicle Disposal Based on Estimated % of Staff Time Devoted to Each Activity</li> </ul>
260	GSA Charges: <ul style="list-style-type: none"> <li>Building repairs to fleet facilities</li> <li>Construction projects for fleet facilities</li> </ul>	<ul style="list-style-type: none"> <li>Indirect Cost Pool</li> <li>Cause and Effect - Allocated to Activity based on project location</li> </ul>
261	ITD: <ul style="list-style-type: none"> <li>ETSD</li> <li>Fleet Management Software</li> </ul>	<ul style="list-style-type: none"> <li>Direct Tracing</li> <li>Direct Tracing</li> </ul>
410	Fuel & Lubricants: <ul style="list-style-type: none"> <li>Unleaded and diesel fuel</li> <li>Chicago Climate Exchange Program penalty</li> </ul>	<ul style="list-style-type: none"> <li>Direct Tracing</li> <li>Cause and Effect</li> </ul>
430	Automotive Repair: <ul style="list-style-type: none"> <li>Parts for in-house repairs</li> <li>Parts for EJ Ward fueling terminals</li> </ul>	<ul style="list-style-type: none"> <li>Direct Tracing</li> <li>Direct Tracing</li> </ul>
432	Equipment & Non-Capital: <ul style="list-style-type: none"> <li>Shop supplies (i.e. nuts, bolts)</li> </ul>	<ul style="list-style-type: none"> <li>Direct Tracing</li> </ul>
501	General Fund Transfer-Out: <ul style="list-style-type: none"> <li>Internal transfer from Vehicle Replacement Program to Fleet Capital Program for Fleet Facilities</li> </ul>	<ul style="list-style-type: none"> <li>Cause and Effect – Allocated to Activity based on project location</li> </ul>
570	Interfund Transfer: <ul style="list-style-type: none"> <li>GSA Department –level overhead</li> <li>Potential 4<sup>th</sup> Quarter COLA</li> </ul>	<ul style="list-style-type: none"> <li>Indirect Cost Pool</li> <li>Indirect Cost Pool</li> </ul>
951	Automobiles and Vehicles: <ul style="list-style-type: none"> <li>New and replacement vehicles and equipment</li> </ul>	<ul style="list-style-type: none"> <li>Direct Tracing</li> </ul>
990	Infrastructure: <ul style="list-style-type: none"> <li>Three EPA mandated double walled fuel tanks</li> </ul>	<ul style="list-style-type: none"> <li>Cause and Effect</li> </ul>

<sup>1</sup> Includes allocation methodologies that are based on Department estimates of the amount of staff time devoted to each activity. Estimates of time do not represent actual usage and therefore do not highlight used and unused resources; as a consequence, information cannot be utilized to identify whether excess capacity exists. Budgets based on actual workload analysis such as time in motion studies would provide a more accurate reflection of resource utilization.

# Zero-Based Budget Pilot Fleet Management Program

## **STEP IV**

Total program costs for each direct service activity was calculated by allocating general overhead costs (including department-level overhead) to direct activities based on total direct labor (see Exhibits 4 through 6).

## **STEP V**

Total program costs for each direct service activity were separated into the following two categories: operating and maintenance costs and capital outlays (see Exhibit 7). The following expenditures were considered capital outlays:

- Object code 261 - Acquisition of fleet management software (\$2,000,000)
- Object code 501 - Internal transfer from vehicle replacement fund to capital program for fleet facilities (\$3,805,000)
- Object code 951 - Acquisition/replacement of vehicles and equipment (\$20,298,000)
- Object code 990 - Installation of three EPA mandated double walled fuel tanks (\$1,050,000)

## **STEP VI**

The results of Steps 4 and 5 were used to calculate activity unit costs where appropriate by reviewing major outputs for each Program activity and selecting the output that most accurately reflects the cost driver for the activity. Total activity costs were divided by the selected output to calculate the activity cost per output (see Exhibit 8).

## **Unit Cost Analysis**

One result of activity-based budgets is the production of unit costs. Unit cost, an efficiency indicator, measures the cost of producing an output or outcome. Maintaining unit costs at the activity level assists management and decision makers by: 1. predicting how changes in demand for products and services affect budgets; 2. determining whether changes in program budgets are due to changes in service levels or changes in cost per unit; 3. evaluating whether efficiencies are improving over a period of time; and 4. establishing baselines for benchmarking against internal or external sources such as other County departments, other governments and private industries providing similar services. *(Care should be taken when unit costs are utilized to compare similar activities within and outside of the government as there may be significant variations in the method and approach to performing cost allocations and unit cost calculations.)*

# Zero-Based Budget Pilot

## Fleet Management Program

Unit costs are comprised of direct costs and indirect costs (program specific overhead and general overhead). The direct cost portion of unit costs are generally the costs that vary with the volume of output produced; while program specific overhead and general overhead unit costs generally represent the fixed costs that are likely to remain if the activity is reduced or eliminated. Consequently, unit costs that primarily consist of variable costs promote a simplified approach for comparing the total costs at various output levels and clearly highlight changes in unit costs resulting from increased/decreased efficiencies. The opposite is true for units that contain significant fixed costs as it is more difficult to determine whether changes in unit costs are due to changes in efficiency or quantity. We calculated and included the direct and indirect components of unit costs to enhance the usefulness of unit cost information in this and future analyses.

### ***Activity-Based Program Budget***

The following table presents results of the activity-based program budget for the Fleet Management Program.

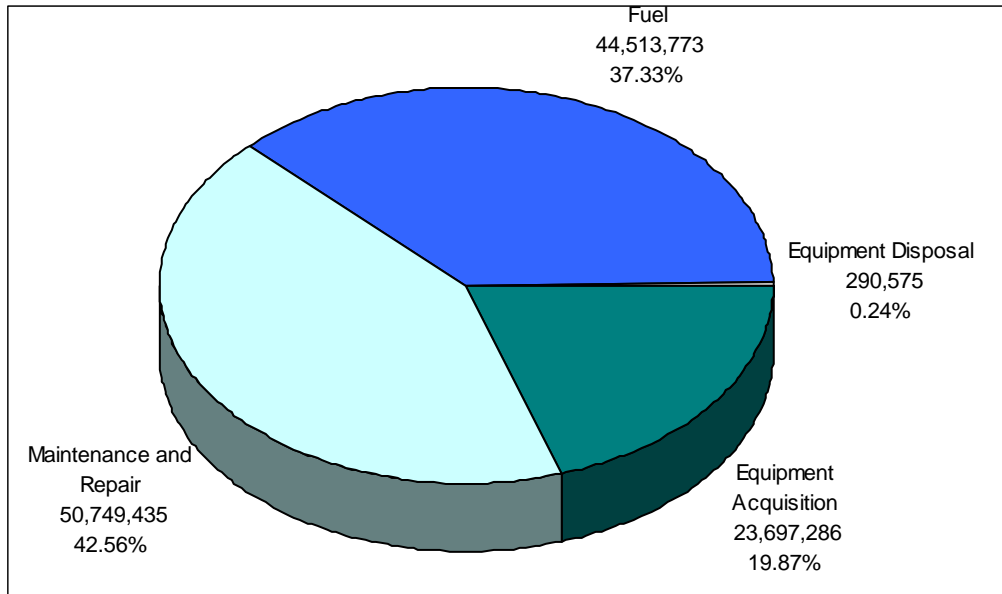
Service/Activity	Operation and Maintenance <sup>1</sup>	Capital Outlays <sup>1</sup>	Total FY 2008/09 Allocated	FTE <sup>2</sup>
<b>Vehicle and Equipment Acquisition</b>				
Fleet Assessment	\$ 66,580	\$ 5,223	\$ 71,802	0.3
Vehicle Specification Preparation	157,843	800,374	958,217	1.0
Vehicle Acquisition and Preparation	832,939	21,763,044	22,595,983	4.8
Vehicle Lease and Rental Management	23,342	1,831	25,173	0.2
Vehicle Licensing and Title Coordination	42,757	3,354	46,111	0.4
<b>Total</b>	<b>\$1,123,461</b>	<b>\$22,573,825</b>	<b>\$ 23,697,286</b>	<b>6.6</b>
<b>Vehicle and Equipment Maintenance and Repair</b>				
Light Equipment Maintenance and Repair	\$17,639,271	\$ 3,161,579	\$ 20,800,849	107.1
Heavy Equipment Maintenance and Repair	27,264,327	2,382,085	29,646,412	149.3
Equipment Pool and Loaner Operation	280,195	21,978	302,173	3.2
<b>Total</b>	<b>\$45,183,792</b>	<b>\$ 5,565,643</b>	<b>\$ 50,749,435</b>	<b>259.6</b>
<b>Fuel</b>				
Fuel Operations	\$43,184,586	\$ 39,548	\$ 43,224,134	4.6
Environmental Operations	233,628	1,056,011	1,289,639	0.5
<b>Total</b>	<b>\$43,418,214</b>	<b>\$ 1,095,559</b>	<b>\$ 44,513,773</b>	<b>5.2</b>
<b>Vehicle and Equipment Disposal</b>				
Equipment Disposal	\$ 272,602	\$ 17,973	\$ 290,575	2.6
<b>Total</b>	<b>\$ 272,602</b>	<b>\$ 17,973</b>	<b>\$ 290,575</b>	<b>2.6</b>
<b>TOTAL</b>	<b>\$89,998,069</b>	<b>\$29,253,000</b>	<b>\$119,251,069</b>	<b>274.0</b>

<sup>1</sup> Includes prorata allocation of general overhead, which is comprised of administration and support activities and the indirect cost pool.

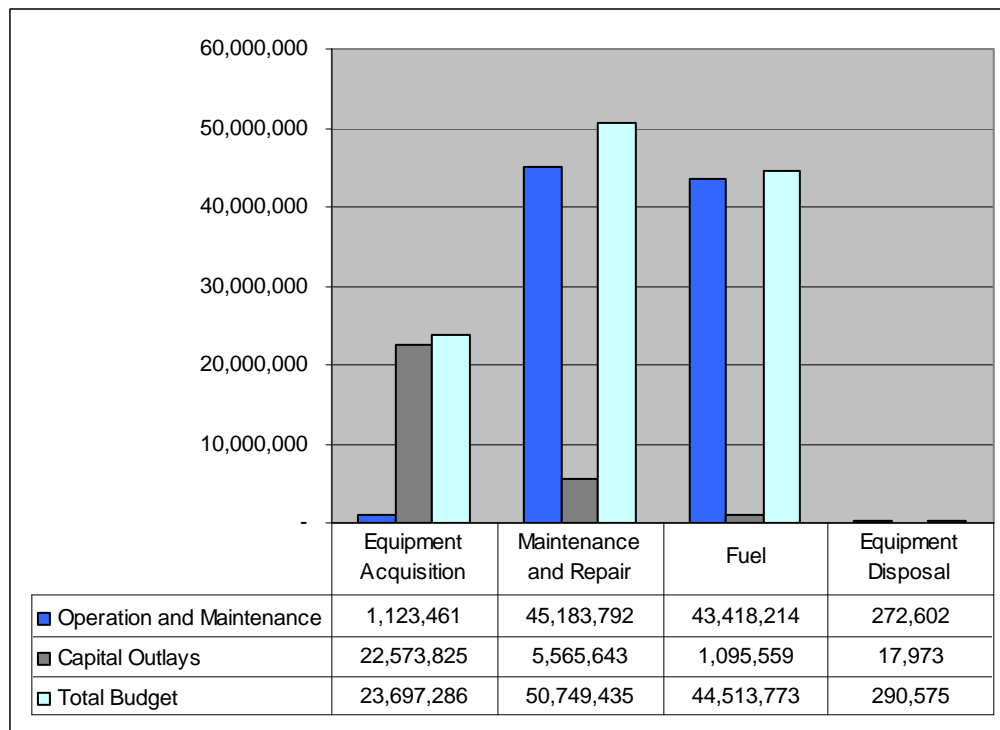
<sup>2</sup> Includes prorata allocation of 10.7 full time equivalent positions included in administration and support activities.

# Zero-Based Budget Pilot Fleet Management Program

Operating Expenditures by Service (Allocated)



Operation and Maintenance Costs and Capital Outlays by Service (Allocated)



# Zero-Based Budget Pilot Fleet Management Program

## PROGRAM JUSTIFICATION

Program justification involves reviewing program services, activities and budgets to provide information to assist decision makers with their determination as to whether the government should continue providing programs, services and activities at the current level of funding and performance. This analysis utilizes the following three (3) criteria to evaluate programs:

1. Program necessity
2. Program placement and organization
3. Program accountability

### ***Program Necessity***

Program necessity reviews the program's purpose and the public benefit derived giving consideration to local, state and federal legal requirements; program and activity links to approved priorities; demand for service; duplication of services within the County; and potential adverse impacts of not funding the program.

### **Local, State, and Federal Mandates**

This element of program necessity considers the existence of legal mandates to determine whether programs contain non-discretionary services and activities that are required to meet local, state and federal mandates.

The Program is responsible for overseeing continued compliance with all fleet related legal mandates relating to vehicle specifications, safety standards, environmental protection and licensing. Following is a list of federal, state and local entities and the primary areas of enforcement related to fleet management.

Federal, State and Local Mandates

Regulating Entity	Subject
<b><i>Federal</i></b>	
Federal Department of Transportation	Vehicle Specifications
Environmental Protection Agency	Vehicle Specifications, Fuel, Environmental cleanup
American National Standards Institute	Safety Standards
<b><i>State</i></b>	
Florida Department of Transportation	Vehicle Specifications
Florida Department of Highway Safety and Motor Vehicles	Vehicle Licensing and Titles
<b><i>Local</i></b>	
Miami-Dade County	Equipment Disposal, Surplus Vehicles

# Zero-Based Budget Pilot Fleet Management Program

## Program and Activity Links to Approved Priorities

This element of program necessity considers whether programs address or contribute to addressing at least one of the following resource allocation priorities established by the Miami-Dade County Board of County Commissioners (BCC):

- Ordinance 08-08, which requires the annual adoption of budget priorities and policy objectives; and/or
- Ordinance 05-136, Governing for Results, which establishes the strategic plan as the framework for the allocation of resources.

The following table provides a summary of department's views of its contribution to the achievement of results related to the BCC 2008/09 budget priorities and policy objectives adopted in accordance with Ordinance 08-08; and the resource allocation priorities as established by Ordinance 05-133 related to strategic plan priority outcomes for the enabling strategies service area.

Fleet Management Program Links to Approved Priorities

Approved Priority	Program and Activity Links <sup>1</sup>
<b>Countywide Budget Priorities:</b>	
Board of County Commission 2008/09 Budget Priorities and Policy Objectives	No
<b>Enabling Strategies Strategic Plan Priority Outcomes:</b>	
Clearly-defined performance expectations and standards	Program activities influence the achievement of desired results by developing, tracking and monitoring performance measures that report cost, utilization, productivity and quality of fleet services.
Easily accessible information regarding County services and programs	Program activities influence the achievement of desired results by providing user departments with automated information regarding the availability and status of fleet services (i.e. fuel site locations, appointment scheduling, ready line).
Streamlined and responsive procurement process	Program activities influence the achievement of desired results by facilitating timely acquisition of vehicles, equipment and related supplies to maximize user department access to safe, reliable transportation and equipment for the provision of County services.
"Best-value" goods and services (price, quality, terms and conditions)	Program activities influence the achievement of desired results by managing contracts and developing vehicle and equipment specifications based on criteria and terms that promote acquisition of fleet related goods and services at the best value.
User friendly e-government sharing information and providing expanded hours and services	No
County processes improved through information technology	No
Motivated, dedicated workforce team aligned with organizational priorities	Program activities influence the achievement of desired results by providing fleet operations personnel with tools (training, technology and other support) and recognition to positively impact overall motivation, morale and preparation.
Workforce skills to support County priorities (e.g. leadership, customer service, fiscal problem solving, technology, etc.)	

# Zero-Based Budget Pilot Fleet Management Program

Approved Priority	Program and Activity Links <sup>1</sup>
Safe, convenient and accessible facilities planned and built ready to meet needs	Program activities influence the achievement of desired results by promoting safety of fuel site facilities through training and other safety practices.
Safe and reliable vehicles ready to meet needs	Program activities play a critical role in the achievement of desired results by providing comprehensive fleet management services to meet the transportation needs of user departments.
Sound asset management and financial investment strategies	No
Planned necessary resources to meet current and future operating and capital needs	Program activities influence the achievement of desired results by maintaining necessary data and performing analysis and advise regarding resources needed to maintain efficient fleet operations.
Cohesive, standardized countywide financial systems and processes	Program activities influence the achievement of desired results by utilizing financial and contract development practices that promote uniform accounting and procurement practices.
Alignment of services provided with community's needs and desires	Program activities influence the achievement of desired results by: <ul style="list-style-type: none"> <li>• providing user departments with specific vehicle and equipment specifications to meet department missions; and</li> <li>• assisting with responsibilities regarding environmental safety.</li> </ul>
Achievement of performance targets	Program activities influence the achievement of desired results by developing, tracking, monitoring and supporting performance measures of cost, utilization, productivity and quality of fleet services.
Accountability to the public at every level of the organization	Program activities influence the achievement of desired results by utilizing internal processes that promote: <ul style="list-style-type: none"> <li>• safeguarding of fleet assets;</li> <li>• cost control; fleet data integrity;</li> <li>• compliance with federal, state and local mandates; and</li> <li>• ensuring safety and reliability of vehicles and equipment.</li> </ul>
Continuously improving government	
Opportunities for every registered voter to conveniently cast a vote	Program activities influence the achievement of desired results by supporting most user department missions including those involved with the voting process.

<sup>1</sup> Activity links to strategic plan vary by priority outcome. Specific activities involved and the degree to which they influence the achievement of desired results are included in the department's priority rankings by activity (see Appendix 4).

# Zero-Based Budget Pilot Fleet Management Program

## Demand for Service

This element of program necessity considers whether the demand for program services are increasing or decreasing. The following table describes the demand for program services by activity.

Demand for Service by Activity

Activity	Demand for Service	Comments
Executive Direction and Control	Increasing	Increased attention to fleet management issues
Personnel, Finance and Administration	Increasing	Increased attention to fleet management issues
IT and Systems Maintenance	Increasing	Increased attention to fleet management issues
Contracts Management	Increasing	Increased need to oversee procurement process
Asset Management and Tracking	Increasing	Increased demand for accountability and ongoing need to meet state requirement for annual inventory
Fleet Assessment	Increasing	Increase in attention of fleet management issues and County Executive Office (CEO) mandated vehicle reduction program
Vehicle Specification Preparation	Increasing	Increased requests for specialized vehicles
Vehicle Acquisition and Preparation	Decreasing	CEO mandated vehicle reduction program
Vehicle Lease and Rental Management	Decreasing	CEO mandated vehicle reduction program
Vehicle Licensing and Title Coordination	Decreasing	CEO mandated vehicle reduction program
Light Equipment Operations	Increasing	Extension of vehicle life cycle from 80K to 100k miles
Heavy Equipment Operations	Increasing	Increasing complexity of equipment (i.e. solid waste conversion from rear loaders to side arm loaders)
Equipment Pool and Loaner	Increasing	Reduction in number of Departmental assigned vehicles
Fuel Operations	Increasing	Despite consumption remaining level, the demand for fuel operations has increased with the implementation of vehicle implementation technology system (VIT) and other fuel management administrative initiatives such as alternative fuel, security, crew cared controls, etc.
Environmental Operations	Increasing	EPA mandates
Equipment Disposal	Increasing	CEO mandated vehicle reduction program



# Zero-Based Budget Pilot Fleet Management Program

## **Duplication of Services**

This element of program necessity considers whether similar services are provided within the County that may be appropriate for consolidation of like services.

Although the Program is the designated central fleet management organization, it does not provide comprehensive fleet management services for the entire County fleet. The Aviation, Fire, Parks, Police, Water & Sewer, and Transit departments each perform their own acquisition and/or maintenance and repair services (see Program Overview section above). While there are benefits to allowing selected departments to manage all aspects of their own vehicles and equipment, the potential drawbacks include:

- lack of standard decision making, policies and procedures and cost analysis;
- increased risk of non-compliance with regulations;
- administrative duplication of effort; and
- decreased economies of scale.

## **Impact if Program is Not Funded**

This element of program necessity includes whether there are potential adverse impacts of eliminating the program.

The Program exists to provide fleet management and related support services to its internal customers, user departments. Since motor vehicles and equipment are vital tools for the delivery of County services, the services provided by the Program would still have to be performed if the Program were eliminated. Elimination of the program would likely result in the reassignment of program services and activities to user departments requiring them to perform their missions while burdened with additional responsibilities for requisitioning, assigning, maintaining, disposing, tracking and reporting on department-level fleets. The decentralization of the County's fleet would lead to significant increases in fleet costs, further duplication of services and a lack of department focus on core program missions.

## ***Program Placement and Organization***

Program placement and organization focuses on two factors: 1. whether the program rests with the County department most appropriate to perform the service; and 2. whether the program as currently organized lends itself to successful execution of its goals and objectives. Our observations related to this criterion are based on information obtained throughout the Pilot process. Performing an organizational review or comparative analysis may yield different results.

# Zero-Based Budget Pilot Fleet Management Program

## Program Placement

The Program is operated as a division of the General Services Administration Department. Centralizing the County's fleet resources and expertise within GSA promotes cost control, accountability and transparency by providing:

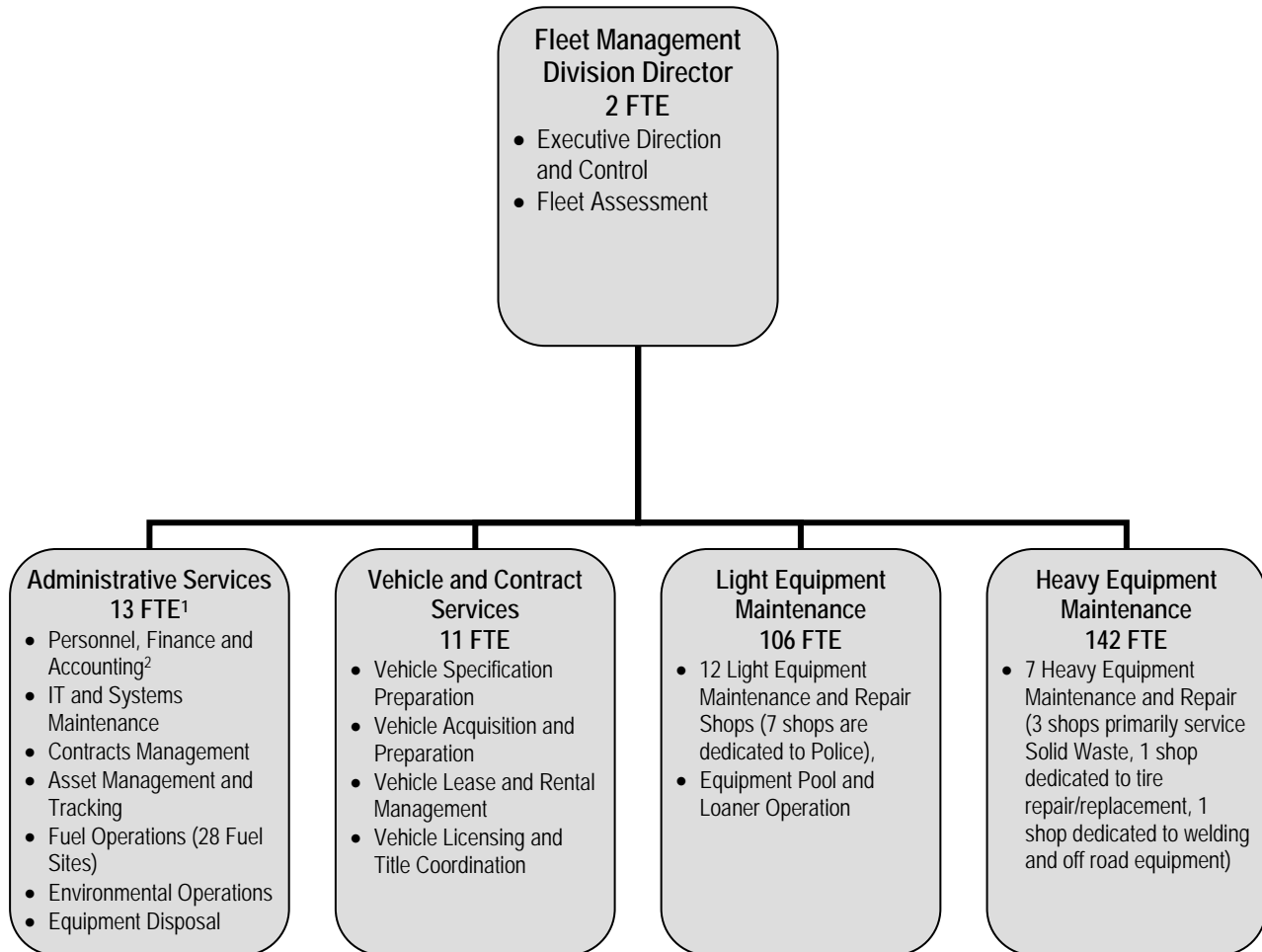
- County-wide repository for and reporting of information on vehicle and equipment deployment, use and cost
- Uniform enforcement of federal, state and local requirements regarding vehicle and equipment specifications, safety, fueling, environmental cleanup, licensing and titles, surplus property, and disposal
- Systems and processes to promote efficient and cost effective maintenance and fueling of vehicles and equipment
- Management and oversight of decentralized maintenance model designed to provide users with access to fleet facilities throughout the County (see Program Organization below)

## Program Organization

The Fleet Management Program is administered by staff located in a central office, vehicle processing facility and decentralized repair shops. Program staff is divided into four sections: Administrative Services; Vehicle and Contract Services; Light Equipment Maintenance; and Heavy Equipment Maintenance. Each section is headed by a service manager who reports to the Fleet Management Division Director. The division director reports to the Director of GSA. The following table of organization provides a breakdown of budgeted Program staff and primary areas of responsibility.

# Zero-Based Budget Pilot Fleet Management Program

Fleet Management Table of Organization



<sup>1</sup> Includes one cross divisional FTE from GSA MIS for technical support

<sup>2</sup> Finance and accounting conducted at both the department and program level. Overlap in functions may result in duplication of efforts within the Department.

## ***Program Accountability***

Program accountability is considered by reviewing: program performance; results of recent program and performance audits and reviews; the degree to which user fees and charges cover the cost of services; and current initiatives to increase program efficiency or effectiveness.

# Zero-Based Budget Pilot Fleet Management Program

## Program Performance

Program performance highlights links between resources and anticipated results by reviewing performance measures utilized to track demand for service, resources used, work produced and whether specific outcomes were achieved. Performance measures generally fall into one of the following categories:

- Workload – service demand (amount of work to be performed in a specified period of time)
- Input measures – resources used to produce an output
- Output measures – quantity of units produced
- Efficiency measures – ratio of inputs used per unit of output
- Productivity measures – ratio of outputs per input
- Outcome (effectiveness) measures – degree to which desired result is achieved includes service quality (satisfaction, timeliness and/or accuracy) and qualitative consequences associated with a program or service

Fleet Management utilizes several systems to monitor, evaluate and report the Program's performance. The Active Strategy Enterprise (ASE) system is the countywide system used to report departmental Scorecard information. Scorecard details as well as additional performance information not reported in ASE are maintained in the Equipment Management System (EMS), which is the primary system, used to track acquisition, maintenance and fuel data. The Program also utilizes a mix of various electronic and manual systems to track performance including contracts and warranties.

The performance measures listed on the table below provides a summary of measures currently used to provide indicators of fleet services, service levels, service quality and cost. These measures provide useful information regarding fleet operations; however, consideration should be given to expanding the breadth of measures to include fleet size and composition, vehicle and equipment utilization and fleet ownership costs. This additional information would provide policy and program decision-makers with a fleet profile that gives context to the operating budget and establish baselines for future initiatives to improve program effectiveness and efficiency.

# Zero-Based Budget Pilot Fleet Management Program

## Performance Measures

Measure	Target	FY 2006/2007 Actual	FY 2007/2008 Actual	FY 2008/09 Projected
<b>Input</b>				
Overtime				
Light	N/A	248,434	197,183	N/A
Heavy	N/A	1,501,701	1,068,056	N/A
<b>Workload and Output Measures</b>				
Total Unleaded gallons dispensed	N/A	8,300,969	8,727,852	N/A
Total Diesel gallons dispensed	N/A	3,956,614	4,394,248	N/A
Number of repair orders				
Light	N/A	50,105	49,772	N/A
Heavy	N/A	48,151	50,695	N/A
Number of accidents				
Light	N/A	573	1,476	N/A
Heavy	N/A	91	124	N/A
<b>Efficiency and Productivity Measures</b>				
Average price per gallon – Unleaded	N/A	2.41	3.03	N/A
Average price per gallon – Diesel	N/A	2.38	3.40	N/A
Percentage of billable vs. available time				
Light	95%	96%	97%	98%
Heavy	95%	96%	97%	98%
Vehicles to technician ratio				
Light	N/A	123	127	N/A
Heavy	N/A	26.6	23.9	N/A
<b>Outcome Measures</b>				
Fleet Management rates compared with those of other public and/or private entities	VG	VG	VG	VG
Percent of fleet that are hybrid vehicles	NA	10%	10%	N/A
Warranty Collections	N/A	133,998	89,076	N/A
Percent of light preventive maintenance performed at designated intervals	100%	96%	97%	100%
Percent of time performance is better than industry standards – Light	50%	58%	56%	50%
Percent savings to customer by performing better than industry standards - Light	3%	6.3%	9.8%	3%
Compare select repairs with the Mitchel Book of industry standards: Meet or Exceed Industry Standards	50%	55%	60%	65%
Percent of light vehicles retired at or above life cycle mileage requirements	N/A	37%	46%	N/A
Average lifetime miles of retired vehicles	100,000	88,127	100,874	100,000

# Zero-Based Budget Pilot Fleet Management Program

## Program and Performance Reviews

Program and performance review results provide historical perspective on various issues and considerations relating to performance, controls, and structure and organization.

We requested and reviewed the results of program and performance related audits and other reviews and analysis conducted by the OCA, Department of Audit Management Services (AMS), Office of Strategic Business Management (OSBM) and Inspector General following is a summary of the items reviewed and the key observations noted.

### Program and Performance Review Results

Performed By	Date	Title/Purpose	Key Observations
OSBM	5/2000	Summary of Fleet Management Activities in Selected Jurisdictions	<ul style="list-style-type: none"> <li>• A 1997 report by the Allegheny Institute for Public Policy, a conservative think tank, found over 50 jurisdictions that had privatized which on average achieved a 30-40% cost savings.</li> <li>• Managed competition has lead to savings in certain circumstances.</li> <li>• Fleet services usually manage: <ul style="list-style-type: none"> <li>- Fuel purchase and storage</li> <li>- Vehicle acquisition and disposal</li> <li>- External service contracts.</li> </ul> </li> <li>• The types of services outsourced vary significantly between jurisdictions.</li> </ul>
OSBM	5/14/2002	Vehicle Maintenance Outside Entities	<ul style="list-style-type: none"> <li>• Due to fleet's infrastructure limitations, facilities and number of qualified technicians, any increase in non-County agencies would have a negative impact on Fleet's ability to effectively and efficiently support County agencies.</li> <li>• Fleet is experiencing a technician shortage due to a lack of qualified candidates. To cope with the shortage Fleet has had to increase overtime and contract out additional work.</li> </ul>
OSBM	6/15/2004	GSA Comprehensive Review – Fleet Management Services and Charging Model	<ul style="list-style-type: none"> <li>• All six of the jurisdictions surveyed provide the following core services <ul style="list-style-type: none"> <li>- Purchasing &amp; replacement;</li> <li>- Maintenance &amp; repair;</li> <li>- Vehicle resale;</li> <li>- Loaner pool; and</li> <li>- Fueling.</li> </ul> </li> <li>• Miami-Dade had the second fewest mechanics per shop.</li> <li>• There was a significant disparity in the number of maintenance shops between respondents. <ul style="list-style-type: none"> <li>- Four jurisdictions had four or fewer shops</li> <li>- Two jurisdictions had seven shops</li> <li>- Miami-Dade had 18 shops.</li> </ul> </li> <li>• Miami-Dade County had the fewest mechanics per vehicle.</li> <li>• Charging model is inline with other jurisdictions.</li> </ul>

# Zero-Based Budget Pilot Fleet Management Program

Performed By	Date	Title/Purpose	Key Observations
OSBM	1/2005	Miami-Dade Fire & Rescue – Heavy Fleet Maintenance Close-out & Review of Light/Medium Fleet Proposal	<ul style="list-style-type: none"> <li>• A recommendation was made for heavy vehicle maintenance to remain in MDFR.</li> <li>• Potential reoccurring savings of \$302,000.</li> <li>• Savings based on a reduction in the use of outside contractors as a result of mechanics receiving additional training and certifications.</li> <li>• Transitioning light fleet maintenance to MDFR would likely not lead to any cost savings and should remain under Fleet's purview.</li> </ul> <p><i>Note: No follow up analysis has been performed to measure actual recurring savings.</i></p>
AMS	2/16/2005	Fleet Management Physical Inventory Observations: February 16, 2005	<ul style="list-style-type: none"> <li>• Inventory is being tracked in a satisfactory manner.</li> <li>• Only minor adjustments were made to inventory values as a result of the inventory.</li> <li>• Additional controls would be beneficial in limiting access to certain high dollar value items.</li> </ul> <p><i>Note: Additional controls have been implemented.</i></p>
AMS	5/15/2006	Audit Report – Tire Contract	<ul style="list-style-type: none"> <li>• Most invoices had the correct pricing and were properly approved and supported.</li> <li>• Discrepancies were noted in the number of tires issued per inventory records vs. work orders.</li> <li>• Certain tires were not being recorded in inventory.</li> <li>• A number of tires were being replaced after only a fraction of their expected useful life.</li> <li>• Payments were made for disposal of used tires when Fleet's contract states that a vendor will pick up the used tires free of charge.</li> </ul> <p><i>Note: Fleet Management has implemented audit recommendations and continues to monitor data entry and tire replacements.</i></p>

# Zero-Based Budget Pilot

## Fleet Management Program

### Ability to Cover Cost of Services

The ability to cover cost of services through fees and charges evaluates the degree to which user fees and charges (proprietary fees) support services.

The Program is an internal service that recovers its costs through charges to its customers. The following table highlights the relationship between program costs and funding at the service and activity levels.

Proprietary Revenue by Service

	Operating Expenditures Allocated	Operating Revenues Allocated	Revenues as a % of	
			Activity Cost	Program Cost
Acquisition				
Fleet Assessment	71,802	236	0.33%	0.00%
Vehicle Specification Preparation	958,217	788,552	82.29%	0.66%
Vehicle Acquisition and Preparation	22,595,983	25,683,452	113.66%	21.54%
Vehicle Lease and Rental Management	25,173	83	0.33%	0.00%
Vehicle Licensing and Title Coordination	46,111	152	0.33%	0.00%
Total	23,697,286	26,472,475	111.71%	22.20%
Maintenance and Repair				
Light Equipment Maintenance and Repair	20,800,849	19,669,183	94.56%	16.49%
Heavy Equipment Maintenance and Repair	29,646,412	27,222,477	91.82%	22.83%
Equipment Pool and Loaner Operation	302,173	1,000,993	331.26%	0.84%
Total	50,749,435	47,892,653	94.37%	40.16%
Fuel				
Fuel Operations	43,224,134	42,982,788	99.44%	36.04%
Environmental Operations	1,289,639	1,896,272	147.04%	1.59%
Total	44,513,773	44,879,059	100.82%	37.63%
Disposal				
Equipment Disposal	290,575	812	0.28%	0.00%
Total	290,575	812	0.28%	0.00%
TOTAL	119,251,069	119,245,000		99.99%



# Zero-Based Budget Pilot Fleet Management Program

## Current Initiatives

Current initiatives to increase efficiency or effectiveness outline initiatives that have been designed to increase program efficiency or effectiveness. Following is a summary of current and recently completed initiatives undertaken by the Program:

### *Current Initiatives*

- Procure and implement new fleet management software that will replace the current mainframe Equipment Management System (EMS). The new software will be a web based system that will have improved functionality including motor pool and vehicle replacement modules and a user-friendly reporting tool to allow for better monitoring of vehicle usage and improved customer satisfaction.
- Update and implement new fuel procedures and fuel security measures for increased accountability and control.
- Develop new fuel bid with a committed allocation of fuel to meet the County's needs during emergencies.
- Continue to monitor the performance of light equipment production employees for certain repairs times against industry standards.

### *Recently Completed Initiatives*

- Developed an online customer web-reporting portal that will allow customers to access important fleet usage reports related to billing, vehicle inventory, vehicle maintenance and fueling, miles traveled, etc.
- Developed a capital program several years ago to fund improvements to service facilities. Facility repairs, renovations and new construction will provide safer and more functional work areas resulting in enhanced employee productivity and morale.
- Developed performance standards for certain heavy equipment repairs and are monitoring technician performance.
- Extended the operating lifecycle for light vehicles to 100,000 miles thereby reducing the County's capital outlay for replacements.

# Zero-Based Budget Pilot Fleet Management Program

## ***Program Justification Summary***

The following tables highlight key results from the program justification phase of the Pilot.

Program Justification Summary

Program Necessity	
Legal Mandate	Yes
Links to Approved Priorities <ul style="list-style-type: none"> <li>• Ordinance 08-08 annual budget priorities and policy objectives</li> <li>• Ordinance 05-136 (resource allocation based on Strategic Plan Priority Outcomes)</li> </ul>	<p>No</p> <p>Yes</p>
• Demand for Service	Varies by activity
• Duplication of Services	Yes – The Aviation, Fire, Parks, Police, Water & Sewer and Transit departments each perform some of their own acquisition and/or maintenance and repair services.
• Impact if Not Funded	Elimination of the Program would result in reassignment of fleet activities to user departments who would then take on responsibility for requisitioning, assigning, maintaining, disposing, tracking and reporting on department-level fleets. The complete decentralization of the County's fleet would lead to significant increases in fleet costs, further duplication of services and a lack of department focus on core program missions.

Program Placement and Organization	
Program rests with department most appropriate to perform service	Yes
Program as currently organized lends itself to successful execution of goals and objectives	Yes

Program Accountability	
Program Performance	Performance measures should be expanded to include information on fleet size and composition, vehicle and equipment utilization and fleet ownership costs to provide policy and program decision-makers with a fleet profile that gives context to the budget and establishes baselines for future initiatives to improve program effectiveness and efficiency.
Program and Performance Reviews	Yes
Percent of Costs Covered by Proprietary Fees	FY 2008/09 revenues from user fees and charges, sale of retired vehicles and interest income total approximately \$119.2 million or 99.99% of total allocated program costs.
Current Initiatives to Increase Efficiency or Effectiveness	Current initiatives include implementation of new fleet management software, updating fuel procedures and security measures and developing a new fuel purchasing contract.

# Zero-Based Budget Pilot Fleet Management Program

## PRIORITY RANKINGS

Key results from the program justification process formed the basis for the ranking process utilized by the Department to rank each activity according to the service it supports (see Appendix 5). The following table outlines the results of the Department's priority rankings.

Department Priority Rankings by Program Service

Priority Ranking	Service/Activity
	<b>Administration and Support</b>
1	Executive Direction and Control
2	Personnel, Finance and Administration
3	Contracts Management
4	IT and Systems Maintenance
5	Asset Management and Tracking
	<b>Vehicle and Equipment Acquisition</b>
1	Vehicle Specification Preparation
2	Fleet Assessment
3	Vehicle Licensing and Title Coordination
4	Vehicle Acquisition and Preparation
5	Vehicle Lease and Rental Management
	<b>Vehicle and Equipment Maintenance and Repair</b>
1	Light Equipment Maintenance and Repair Operations
2	Heavy Equipment Maintenance and Repair Operations
3	Equipment Pool and Loaner Operation
	<b>Fuel</b>
1	Environmental Operations
2	Fuel Operations
	<b>Vehicle and Equipment Disposal</b>
1	Equipment Disposal

# Zero-Based Budget Pilot Fleet Management Program

## DECISION PACKAGES

A basic tenet of ZBB is the use of Decision Packages to present potential budget options. Decision Packages are groups of activities that are aggregated at varying budget levels to form budget alternatives. The budget levels are generally prepared based on levels of service such as minimum level (amount required by federal, state and local mandates), current level (amount required to continue the program without considering increases in demand) and enhanced level (amount required for increased demand, additional services and program enhancements). Budget levels can also be prepared based on funding levels such as a percentage reduction in the current level.

This analysis does not include the preparation of decision packages in the traditional sense. To do so would require qualitative and/or quantitative reductions in service levels and as a consequence, fleet customers would be forced to self-perform services and/or obtain services from the private sector. Either of which would likely result in a net increase in the County's operating budget. Instead, we have focused on providing selected options for cost savings and enhanced cost control that do not impact current service levels. The options, some of which are heavily influenced by fleet customers (user departments) and policy and program decision-makers, are presented in the form of fleet management practices. The fleet management practices are based on industry information and have been grouped into four decision packages. The first two decision packages relate to the two super variables impacting fleet costs:

- Decision Package One: Fleet Size and Composition; and
- Decision Package Two: Vehicle and Equipment Replacement Planning.

The last two decision packages relate specifically to how the Program can promote cost effective operations:

- Decision Package Three: Cost Competitiveness of Fleet Operations; and
- Decision Package Four: Measures and Indicators of Cost and Service.

The tables and charts that follow provide a financial summary of the FY 2008/09 activity-based budget for the Program as well as supplemental fleet information to provide context to the discussion.

# Zero-Based Budget Pilot Fleet Management Program

## Fleet Management Program Activity-Based Budget and Unit Costs

Service/Activity	Unit of Measure	Number of Units	Unit Cost	FY 2008/09 Allocated <sup>1</sup>
<b>Vehicle and Equipment Acquisition</b>				
Vehicle Specification Preparation	Number of Specifications Prepared	20	\$7,892.14	\$ 157,843
Fleet Assessment	Number of Vehicles and Equipment Tracked	11,321	5.88	66,580
Vehicle Licensing and Title Coordination	Number of Licenses and Titles Maintained	203 <sup>2</sup>	210.63	42,757
Vehicle Acquisition and Preparation	Number of Vehicles and Equipment Purchases	500	1,665.88	832,939
Vehicle Lease and Rental Management	Number of Vehicles Leased/Rented	22 <sup>2</sup>	1,061.00	23,342
Total Operation and Maintenance				1,123,461
Total Capital Outlays				22,573,825
Service Subtotal				23,697,286
<b>Vehicle and Equipment Maintenance and Repair</b>				
Light Equipment Maintenance and Repair	Number of Vehicles Maintained	7,336	2,404.48	17,639,271
Heavy Equipment Maintenance and Repair	Number of Vehicles and Equipment Maintained	2,162	12,610.70	27,264,327
Equipment Pool and Loaner Operation	Number of Pool and Loaner Vehicles	571	490.71	280,195
Total Operation and Maintenance				45,183,792
Total Capital Outlays				5,565,643
Service Subtotal				50,749,435
<b>Fuel</b>				
Environmental Operations	Gallons of Fuel Dispensed	12,700,000	0.02	233,628
Fuel Operations	Gallons of Fuel Dispensed	12,700,000	3.40	43,184,586
Total Operation and Maintenance				43,418,214
Total Capital Outlays				1,095,559
Service Subtotal				44,513,773
<b>Vehicle and Equipment Disposal</b>				
Equipment Disposal	Number of Vehicles and Equipment to be Disposed of	800 <sup>2</sup>	340.75	272,602
Total Operation and Maintenance				272,602
Total Capital Outlays				17,973
Service Subtotal				290,575
<b>TOTAL BUDGET</b>				<b>\$119,251,069</b>

<sup>1</sup> Includes prorata allocation of general overhead (administration and support activities and the indirect cost pool).

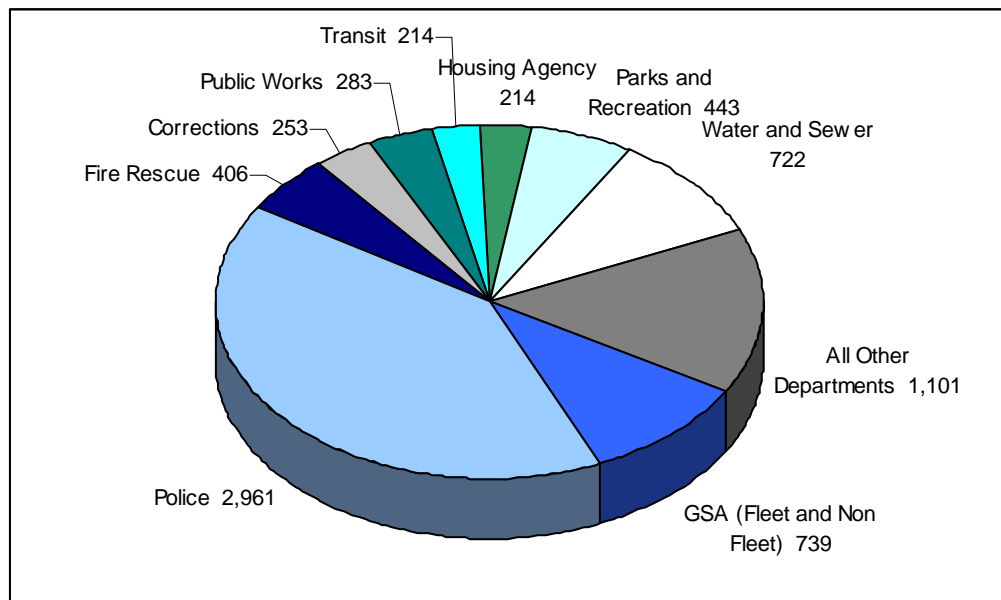
<sup>2</sup> Projected number of units based on FY 2007/08 actual results.

# Zero-Based Budget Pilot Fleet Management Program

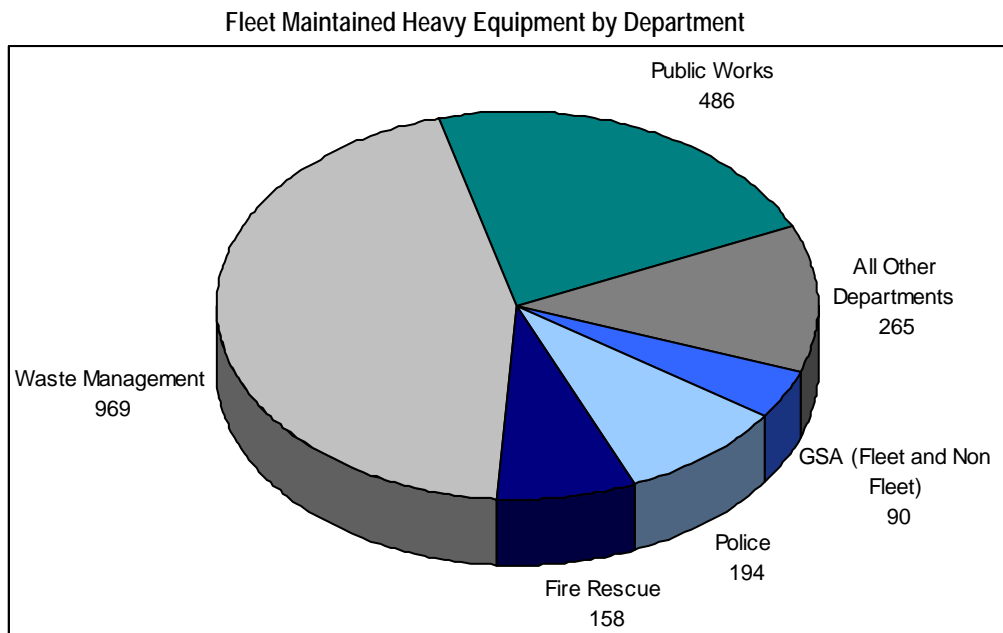
Fleet Maintained Equipment by Type

Equipment Category	Count
<b>Light Equipment</b>	
On Road Light	7,336
<b>Total Light Equipment</b>	<b>7,336</b>
<b>Heavy Equipment</b>	
On Road Heavy	1,692
Off Road/Construction	251
Auxiliary	219
<b>Total Heavy Equipment</b>	<b>2,162</b>
<b>Total Heavy and Light Equipment as of October 2008</b>	<b>9,498</b>

Fleet Maintained Light Equipment by Department



# Zero-Based Budget Pilot Fleet Management Program



## ***Decision Package One: Fleet Size and Composition***

Fleet represents a significant investment of public funds and the single most critical factor impacting both capital and operating costs is fleet size and composition.<sup>1</sup>

Active management of fleet size involves determining the appropriate number, type, and allocation of vehicles and equipment. The process used to control fleet size and composition can be accomplished using policies that promote objective decision-making and access to reliable and transparent data to assess user department vehicle and equipment needs, identify and eliminate underutilized assets, and justify vehicle and equipment assignments. Fleet size, composition and allocation can be controlled through the use of a Vehicle Allocation Methodology (VAM) as described in General Services Administration *GSA Bulletin FMR B-9, Motor Vehicle Management*. VAM establish a baseline for fleet size and composition through right-sizing and enables continued control through ongoing vehicle and equipment assignment and utilization control practices.

<sup>1</sup> Fleet Management was unable to provide the asset value (original cost or current replacement value) of the County's fleet.

# Zero-Based Budget Pilot Fleet Management Program

## Right-sizing

Fleet right sizing is used periodically to reduce the size, and ultimately the cost of fleets by identifying specific vehicles and equipment that are no longer needed and disposing of them. Right-sizing generally involves the following five steps:

- Compile detailed inventory and usage data to create fleet profile net of any excluded vehicles (i.e. marked law enforcement, fire apparatus).
- Review prior year usage data and identify candidates for elimination. Candidates for elimination include all assets that fall below usage thresholds (i.e. 80% of established minimum annual usage and 50% of the average annual utilization level by type).
- Administer vehicle utilization questionnaires to obtain additional information needed to narrow candidates for elimination. Questionnaires should gather information on how, where and when assets are used including:
  - How do assets meet the mission, goals and objectives of the department and its programs?
  - What services are provided by use of assets?
  - How many users require use of assets?
  - What vehicle requirements must be met to provide services (i.e. must carry equipment or passengers, vehicle response time, etc.)
  - What times of the day are assets used?
  - What is the number of trips per day?
  - Where are assets housed?
  - What transportation alternatives have previously been considered?
- Determine whether candidates should be eliminated.
- Establish a table of allocation outlining vehicle and equipment information by user department and type including number of assets needed; number of assets to be eliminated; recommendations to use pool vehicles; and budgets for reimbursement for use of privately owned vehicles.

The reduction of fleet size from right-sizing will generally produce immediate cost savings through proceeds from salvage values; however, the savings that are more substantial are longer-term through decreased need for future replacement vehicles and equipment.

The transportation needs of fleet customers are dynamic and right-sizing can be an important tool to be used periodically to ensure that the fleet size is appropriate given changing priorities and needs. However, once the baseline for the fleet size and composition has been established, effective and efficient utilization of vehicles and equipment should be made on a continual basis through vehicle and equipment assignment and utilization reviews.



# Zero-Based Budget Pilot Fleet Management Program

## **Vehicle and Equipment Assignment and Utilization**

Vehicle and equipment assignments should be justified periodically to reestablish a continued need; and prior to the replacement of assets scheduled to be retired. The assignment process should require user departments to justify each asset under their control by clearly defining need in relation to department/program mission with consideration given to the timing, frequency and duration of demand, number of personnel, as well as evidence that alternative sources of transportation were contemplated.

Utilization guidelines should also be established for each asset type to set the minimum level at which assets should be assigned to a user department. The guidelines should incorporate mileage levels and daily use indicators. Alternate measures of utilization should be used in place of mileage where appropriate (i.e. engine hours). Once established, utilization reviews (annual comparisons of actual utilization by asset type) should be conducted to identify underutilized assets.

Once systems and processes are in place to determine and maintain the appropriate fleet size and composition it is important to utilize a long term approach to replacement planning to ensure the availability of safe and reliable vehicles and equipment and control fleet life cycle costs.

## ***Decision Package Two: Vehicle and Equipment Replacement Planning***

The life expectancy of vehicles and equipment varies by asset type and the nature and intensity of its use. As a result, the timing and funding requirements for replacements can fluctuate significantly from year to year. Replacement planning can be used as a tool to facilitate replacement decisions by incorporating analysis of age, usage and life cycle costs (acquisition, depreciation, maintenance, fueling and estimated salvage values) to identify assets to be considered for replacement; project future costs; determine funding availability and evaluate financing options; and ultimately utilize objective criteria to justify replacement decisions.

Replacement planning can be described using a three step process, as described below, aimed at minimizing life cycle cost by balancing the capital and operating cost components of fleet ownership.

### ***STEP I***

The process begins with the use of established replacement guidelines to develop a mapped out projection of replacement dates and future costs for each asset. Replacement guidelines are generally expressed as a minimum age and/or usage and may be based on analysis of life cycle costs to determine the period of time where the asset has sufficiently depreciated and has not yet begun to experience escalating maintenance costs.

# Zero-Based Budget Pilot Fleet Management Program

## **STEP II**

Next, a funding analysis is conducted to evaluate options to finance projected costs. The funding analysis considers alternatives to cash such as reserve funds. Using reserve funds to spread capital costs over the expected useful life makes funding requirements for replacements more predictable; thereby reducing the risk that needed replacements will be deferred due to lack of funding.

## **STEP III**

Finally, a short-term decision making process is utilized to identify and prioritize the timing for specific assets using criteria that has been expanded beyond the criteria used in the replacement guidelines described in step one such as type of use and historical repair costs.

Timely replacement of assets impacts the availability, safety, reliability and cost effectiveness of fleets. Replacing assets too quickly is wasteful and deferring replacements increases fleet age and operating costs since it is more costly to maintain a vehicle in need of replacement. To promote cost effective fleet management, replacement reserve funds should be established and maintained using chargeback rates that have been established based on long term replacement planning.

## ***Decision Package Three: Cost Competitiveness of Fleet Operations***

The foundation for the assessment of cost competitiveness is the establishment of financial practices that promote understanding and awareness of all costs, capital and operating, associated with owning and operating a fleet from acquisition through disposal. The goal of achieving cost recognition and control can be attained through the use of a cost chargeback system.

Under a cost chargeback system, user departments budget and pay for the operating cost of vehicles and equipment that are available to them and under their control. This allows user departments to correlate their decisions regarding assets used in the provision of program services to the costs incurred for consuming resources. Similarly, capital costs can be amortized over the life of vehicles to smooth out the cost replacement requirements. Properly designed cost chargeback systems provide an equitable treatment of users as they only pay for what they use while promoting accountability by fleet management for the cost and quality of services they receive. Characteristics of effective cost chargeback systems include the following:

- All costs (direct and indirect) are recovered
- All users are billed the same rate for similar services
- Rates are based on type of service consumed (i.e. asset acquisition and disposal, maintenance and repairs, fuel) rather than usage (mileage) or time (monthly charge)

# Zero-Based Budget Pilot Fleet Management Program

- Transaction specific costs of services are included in billing
- Adjustments are made for over/under recovery
- Operates on a break-even basis
- Accumulates replacement costs in a reserve fund
- Revenues from one service are not used to supplement the costs of another

Chargeback systems that have clearly defined rate methodologies, service-based rates and transaction-based billing encourages cost control by allowing user departments to clearly see the relationship between their decisions regarding number or vehicles, maintenance practices and overall care for vehicles and equipment. Effective chargeback systems also provide a mechanism to establish competitiveness with the private sector (cost of outsourcing) and making comparisons internally (cost of decentralized services) through benchmarking. When determining the cost competitiveness of fleet operations it is important to consider the rate, calculations and measurement techniques used to ensure comparability. It is also important to review cost of service in relation to service levels and service quality, which can be facilitated by tracking, monitoring and reporting performance measures that include commonly used measures of cost and service.

## ***Decision Package Four: Measures and Indicators of Cost and Service***

Performance measures promote accountability and provide policy and program decision makers with improved information for decision making. Measures are most effective when they communicate program results through established links to strategic planning and budgets and should be quantifiable (expressed in numbers or percentages). Information obtained from measures can be used to establish cost and service level baselines to support performance targets, measure progress towards achieving program goals and gauge the cost effectiveness of fleet operations by:

- highlighting the relationship between cost and performance;
- tracking relevant changes in performance and conditions; and
- identifying reasons for reaching, not meeting or exceeding performance targets.

Following is a list of relevant performance measures compiled from industry reports including the *General Service Administration Guide to Fleet Management* and *Benchmarking Fleet Management* prepared by the University of Minnesota Center for Transportation Studies. The measures have been grouped into the following categories: fleet operations, fleet asset management and fleet replacements.

# Zero-Based Budget Pilot

## Fleet Management Program

**Fleet operations** include measures and indicators of cost, service levels, service quality and productivity to evaluate the overall performance of fleet operations by service type.

Fleet Operations Measures and Indicators

Measure/Indicator	Purpose
<b>Vehicle and Equipment Acquisition</b>	
Turnaround time from ordering vehicle to receipt	Efficiency of procurement
Turnaround time from receipt of vehicle to in-service date	Efficiency of vehicle preparation
<b>Maintenance and Repair</b>	
Average maintenance and repair cost per mile/hour by class/type (excluding accident repairs)	Efficiency of the maintenance service
Fully burdened labor rate	Cost of service and benchmarking
Average percentage labor rate below private sector fleet maintenance costs	Cost effectiveness
Average percentage parts below retail parts cost	Cost effectiveness
Average percentage motor pool rates below rental contract rates	Cost effectiveness
Fleet availability % By fleet By class/type	Overall health of the fleet and the ability to complete repairs in a timely manner
Repeat repairs as a % of total repairs by class/type	Service quality of both diagnostics and repair service
Repairs performed within 1 day, 2 days, greater than 2 days	Staffing efficiency
Ratio of preventive maintenance to unscheduled repairs	Adequacy of preventive maintenance program in preventing repairs
Percentage of mechanics time billed to maintenance and repairs	Productivity
Overtime Rate	Staffing efficiency
% of mechanics that are ASE Certified	Staff qualifications
Number of vehicles and equipment per mechanic by class/type	Staffing efficiency
Percent of maintenance and repairs outsourced (sublet)	Use of external help for repairs
Number of repair orders	Adequacy of preventive maintenance program in preventing repairs
Number of accidents per 100,000 miles	Safe driving performance and need for driver training
Average investment in inventory	Cost of inventory
Parts turnover ratio (total number of parts used divided by average number of parts on hand)	Stock utilization including excessive or depleted levels
Customer satisfaction	Service quality
<b>Fuel</b>	
Fully burdened rate per gallon of fuel	Cost of service and benchmarking
Average fuel consumption by class/type	Fuel efficiency
Average miles per gallon by class/type	Fuel efficiency
Average time to repair broken fuel pumps	Service quality
<b>Vehicle and Equipment Disposal</b>	
Average number of days from out of service to disposal	Efficiency of disposal service

# Zero-Based Budget Pilot

## Fleet Management Program

**Fleet asset management** includes measures and indicators of fleet size, age and utilization all of which have a significant impact on cost and service level measures for fleet operations.

Fleet Asset Management Measures and Indicators

Measure/Indicator	Purpose
Number of vehicles and equipment maintained: By fleet By class/type By department	Fleet size
Total vehicle and equipment cost per mile/hour (includes all ownership costs including depreciation and accident repairs) By fleet By class/type By department By type of assignment	Unit cost of a fleet mile or hour driven
Average number of lifetime miles/hours by class/type	Average Fleet Age
Number and percentage of vehicles and equipment by total lifetime mileage/hour grouping	Distribution of lightly and heavily used vehicles and equipment
Average annual number of miles/hours By class/type By type of assignment	Utilization and excess capacity
% of fleet below utilization targets	Utilization and excess capacity
Number of employees per vehicle By department By type of assignment	Utilization and efficiency

**Fleet replacements** includes measures and indicators of replacement cycle management to demonstrate adherence to fleet replacement plans and the impact of replacement funding (and lack of funding) on both fleet asset management and the cost of fleet operations.

Fleet Replacement Measures and Indicators

Measure/Indicator	Purpose
Ratio of salvage value to original purchase price	Minimize life cycle cost
Number and % of vehicles qualifying for replacement based on established replacement criteria	Minimize life cycle cost
Number, cost and % of vehicles/equipment to be replaced in the current year	Cost of replacements
Number and % of qualifying vehicles with planned replacement funding from the vehicle replacement fund	Commitment to long term replacement planning
% of replacements funded from annual contributions to vehicle replacement fund	Commitment to long term replacement planning
Percentage of vehicles to be replaced with hybrid vehicles	Commitment to reduce petroleum consumption
% of fleet out of life cycle	Adherence to replacement guidelines

# Zero-Based Budget Pilot Fleet Management Program

## Decision Package Summary

The following table provides a listing of fleet management practices outlined in each decision package and whether they are currently utilized to manage the County fleet. Any items marked with a “✓” in the “no” column represents an opportunity to increase the cost effectiveness of fleet operations.

Decision Package Summary

DECISION PACKAGE/Fleet Management Practice	Current Practice	
	Yes	No
<b>DECISION PACKAGE ONE – FLEET SIZE AND COMPOSITION</b>		
Right-sizing		
Right-sizing study performed	✓	
Vehicle Allocation Table maintained		✓
Vehicle assignment and utilization		
Vehicle assignments justified		✓
Utilization guidelines established		✓
Utilization reviews performed		✓
<b>DECISION PACKAGE TWO – VEHICLE AND EQUIPMENT REPLACEMENT PLANNING</b>		
Replacement guidelines established		✓
Long-term replacement plan prepared		✓
Reserve funds maintained for all vehicle and equipment replacements		✓
<b>DECISION PACKAGE THREE – COST COMPETITIVENESS</b>		
Effective communication of chargeback rate methodology to customers	✓	
Chargeback rates recover all costs	✓	
Chargeback rates are serviced based	✓	
Transaction-based billing provided to customers	✓	
Chargeback rates externally benchmarked	✓	
Chargeback rates internally benchmarked		✓
<b>DECISION PACKAGE FOUR – MEASURES OF COST AND SERVICE</b>		
Fleet Operations		
Measures for cost of service reported		✓
Measures for cost competitiveness reported	✓	
Measures for service levels reported	✓	
Measures for service quality reported	✓	
Measures for productivity reported	✓	
Replacement Planning		
Measures for cost reported		✓
Measures for adherence to replacement guidelines reported	✓	
Fleet Asset Management		
Measures for fleet size reported	✓	
Measures for fleet age reported	✓	
Measures for fleet utilization reported		✓

<sup>1</sup> Some of the fleet management practices included in this analysis are heavily influenced by fleet customers and policy and program decision makers; and therefore, are not the sole responsibility of the Fleet Management Program.

# Zero-Based Budget Pilot Fleet Management Program

## NEXT STEPS

Following are potential next steps to further enhance the budget review process:

- Evaluate adequacy of current program and activity definitions currently used by the County and consider revising based on results of this analysis
- Perform detailed activity analysis including process mapping and workload analysis to identify potential areas for cost savings and program improvement
- Incorporate additional performance measures and indicators of fleet cost, size, age, utilization and replacement cycle management to establish baselines for evaluating future initiatives to improve program effectiveness and efficiency
- Refine unit cost calculations to calculate marginal costs and identify impact of revised performance goals and alternate service levels
- Conduct program reviews and performance audits
- Develop formal program justification criteria for improved accountability
- Develop formal priority setting model for increased transparency

EXHIBIT 1  
Activity-Based Budget  
Schedule of Resources

Object	Description	FY 2008/09 Budget	Percent of Total Budget
1	SALARIES	16,427,047	13.78%
10	FRINGE BENEFITS	5,540,190	4.65%
31	DEPARTURE INCENTIV	4,000	0.00%
<b>Total Personnel Costs</b>		<b>21,971,237</b>	<b>18.42%</b>
215	TEMPORARY HELP AGE	210,000	0.18%
220	ELECTRICAL SERVICE	312,000	0.26%
221	WATER AND DISPOSAL	117,100	0.10%
223	INDUSTRIAL SERVICE	518,100	0.43%
224	OTHER OUTSIDE CONT	37,700	0.03%
232	GENERAL AUTO & PRO	122,000	0.10%
240	OUTSIDE CONTRACTUA	6,433,632	5.40%
241	EQUIPMENT MAINTENA	9,500	0.01%
244	OUTSIDE MAINTENANC	32,000	0.03%
245	ITD MAINTENANCE	39,500	0.03%
246	RAIL/AIRCRAFT/BOAT	6,800	0.01%
251	BUILDINGS COUNTY O	70,000	0.06%
252	VEHICLES-RENTAL	180,000	0.15%
253	COMMUNICATION EQUIPMENT	200	0.00%
260	GSA CHARGES	4,685,400	3.93%
261	ITD	2,722,500	2.28%
262	GENERAL COUNTY SUP	11,000	0.01%
265	PARKS & RECREATION	29,000	0.02%
310	TELECOMMUNICATIONS	148,300	0.12%
311	PUBLICATIONS, SUBS	19,300	0.02%
312	TRAVEL	25,300	0.02%
313	AUTOMOBILE REIMBUR	60,000	0.05%
314	ADVERTISING	27,000	0.02%
315	PRINTING & GRAPHIC	1,000	0.00%
319	PETTY CASH & CHANG	1,200	0.00%
320	TRAINING	41,300	0.03%
321	REIMBURSEMENTS & R	-	0.00%
322	TAXES, LICENSES & P	135,200	0.11%
330	MISCELLANEOUS	30,000	0.03%
410	FUEL & LUBRICANTS	42,805,400	35.90%
430	AUTOMOTIVE REPAIR	11,540,700	9.68%
432	EQUIPMENT & NON-CA	1,178,850	0.99%
450	CONSTRUCTION MATER	-	0.00%
470	OFFICE SUPPLIES &	81,000	0.07%
471	COMPUTER SUPPLIES	12,000	0.01%
492	INSTITUTIONAL, MED	5,250	0.00%
493	CLOTHING & UNIFORM	86,500	0.07%
496	OTHER MATERIALS &	23,000	0.02%
GENERAL FUND-TRF O (Interfund			
501	Transfer to Capital Program)	2,100,000	1.76%
570	INTRAFUND TRANSFER	1,813,100	1.52%
602	SPECIAL TRANSPORTA	-	0.00%
<b>Total Other Operating</b>		<b>75,670,832</b>	<b>63.46%</b>
950	MAJOR MACHINERY, E	261,000	0.22%
951	AUTOMOBILES & VEHI	20,298,000	17.02%
990	INFRASTRUCTURE	1,050,000	0.88%
<b>Total Capital</b>		<b>21,609,000</b>	<b>18.12%</b>
<b>Total Operating Budget</b>		<b>119,251,069</b>	<b>100.00%</b>



EXHIBIT 2  
Activity-Based Budget  
Classification Summary

Object	Description	Total	Direct Cost	Indirect Costs	
				Program-Specific Overhead	General Overhead
1-100	PERSONNEL COSTS	21,971,237	✓		✓
215	TEMPORARY HELP AGE	210,000			✓
220	ELECTRICAL SERVICE	312,000			✓
221	WATER AND DISPOSAL	117,100			✓
223	INDUSTRIAL SERVICE	518,100			✓
224	OTHER OUTSIDE CONT	37,700			✓
232	GENERAL AUTO & PRO	122,000			✓
240	OUTSIDE CONTRACTUA	6,433,632	✓		
241	EQUIPMENT MAINTENA	9,500			✓
244	OUTSIDE MAINTENANC	32,000			✓
245	ITD MAINTENANCE	39,500			✓
246	RAIL/AIRCRAFT/BOAT	6,800			✓
251	BUILDINGS COUNTY O	70,000			✓
252	VEHICLES-RENTAL	180,000			✓
253	COMMUNICATION EQUIPMENT	200			✓
260	GSA CHARGES	4,685,400		✓	✓
261	ITD	2,722,500			✓
262	GENERAL COUNTY SUP	11,000			✓
265	PARKS & RECREATION	29,000			✓
310	TELECOMMUNICATIONS	148,300			✓
311	PUBLICATIONS, SUBS	19,300			✓
312	TRAVEL	25,300			✓
313	AUTOMOBILE REIMBUR	60,000			✓
314	ADVERTISING	27,000			✓
315	PRINTING & GRAPHIC	1,000			✓
319	PETTY CASH & CHANG	1,200			✓
320	TRAINING	41,300			✓
322	TAXES,LICENSES & P	135,200			✓
330	MISCELLANEOUS	30,000			✓
410	FUEL & LUBRICANTS	42,805,400	✓		
430	AUTOMOTIVE REPAIR	11,540,700	✓		
432	EQUIPMENT & NON-CA	1,178,850	✓		
470	OFFICE SUPPLIES &	81,000			✓
471	COMPUTER SUPPLIES	12,000			✓
492	INSTITUTIONAL, MED	5,250			✓
493	CLOTHING & UNIFORM	86,500			✓
496	OTHER MATERIALS &	23,000			✓
501	GENERAL FUND-TRF O (Interfund Transfer to Capital Program)	2,100,000		✓	✓
570	INTRAFUND TRANSFER	1,813,100			✓
950	MAJOR MACHINERY, E	261,000			✓
951	AUTOMOBILES & VEHI	20,298,000	✓		
990	INFRASTRUCTURE	1,050,000		✓	
Total Operating Budget		119,251,069			

EXHIBIT 3  
Activity-Based Budget  
Resource Allocation by Object Summary

Service/Activity	Personnel Costs	Outside Contractual	GSA	ITD	Fuel & Lubricants	Automotive Repair Parts	Equipment and Non-Capital	Transfer to Capital Program	Interfund Transfer	Automobiles & Vehicles	Infrastructure	All Other Object Codes	Total
<b>Administration and Support</b>													
Executive Direction and Control	159,011	-	-	-	-	-	-	-	-	-	-	-	159,011
Personnel, Finance and Administration	457,211	-	-	-	-	-	-	-	-	-	-	-	457,211
IT and Systems Maintenance	309,768	-	-	2,722,500	-	-	-	-	-	-	-	-	3,032,268
Contracts Management	113,699	-	-	-	-	-	-	-	-	-	-	-	113,699
Asset Management and Tracking	47,468	-	-	-	-	-	-	-	-	-	-	-	47,468
<b>Total</b>	<b>1,087,158</b>	<b>-</b>	<b>-</b>	<b>2,722,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,809,658</b>
<b>Vehicle and Equipment Acquisition</b>													
Fleet Assessment	49,589	-	-	-	-	-	-	-	-	-	-	-	49,589
Vehicle Specification Preparation	117,563	-	-	-	-	-	-	787,992	-	-	-	-	905,555
Vehicle Acquisition and Preparation	353,955	90,161	1,427,767	-	-	228,700	38,850	-	-	20,298,000	-	-	22,437,433
Vehicle Lease and Rental Management	17,385	-	-	-	-	-	-	-	-	-	-	-	17,385
Vehicle Licensing and Title Coordination	31,846	-	-	-	-	-	-	-	-	-	-	-	31,846
<b>Total</b>	<b>570,338</b>	<b>90,161</b>	<b>1,427,767</b>	<b>-</b>	<b>-</b>	<b>228,700</b>	<b>38,850</b>	<b>787,992</b>	<b>-</b>	<b>20,298,000</b>	<b>-</b>	<b>-</b>	<b>23,441,809</b>
<b>Vehicle and Equipment Maintenance and Repair</b>													
Light Equipment Maintenance and Repair	7,402,864	3,700,000	1,534,850	-	-	3,700,000	300,000	847,092	-	-	-	-	17,484,806
Heavy Equipment Maintenance and Repair	12,098,931	2,600,000	713,884	-	-	7,600,000	820,000	393,996	-	-	-	-	24,226,811
Equipment Pool and Loaner Operation	208,692	-	-	-	-	-	-	-	-	-	-	-	208,692
<b>Total</b>	<b>19,710,487</b>	<b>6,300,000</b>	<b>2,248,734</b>	<b>-</b>	<b>-</b>	<b>11,300,000</b>	<b>1,120,000</b>	<b>1,241,088</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,920,309</b>
<b>Fuel</b>													
Fuel Operations	375,522	-	-	-	42,680,400	-	-	-	-	-	-	-	43,055,922
Environmental Operations	57,073	-	-	-	125,000	12,000	20,000	-	-	-	1,050,000	-	1,264,073
<b>Total</b>	<b>432,596</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,805,400</b>	<b>12,000</b>	<b>20,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,050,000</b>	<b>-</b>	<b>44,319,996</b>
<b>Vehicle and Equipment Disposal</b>													
Equipment Disposal	170,659	43,471	-	-	-	-	-	-	-	-	-	-	214,130
<b>Total</b>	<b>170,659</b>	<b>43,471</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>214,130</b>
<b>Indirect Cost Pool</b>	<b>-</b>	<b>-</b>	<b>1,008,899</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,919</b>	<b>1,813,100</b>	<b>-</b>	<b>-</b>	<b>2,652,250</b>	<b>5,545,168</b>
(to be allocated as general overhead)													
<b>TOTAL</b>	<b>21,971,237</b>	<b>6,433,632</b>	<b>4,685,400</b>	<b>2,722,500</b>	<b>42,805,400</b>	<b>11,540,700</b>	<b>1,178,850</b>	<b>2,100,000</b>	<b>1,813,100</b>	<b>20,298,000</b>	<b>1,050,000</b>	<b>2,652,250</b>	<b>119,251,069</b>

EXHIBIT 4  
Activity-Based Budget  
Direct Cost Summary

	Direct					
	Labor A	Allocation %	Other Operating B	Allocation %	Total A+B=C	Allocation %
<b>Vehicle and Equipment Acquisition</b>						
Fleet Assessment	49,589	0.24%	-	0.00%	49,589	0.05%
Vehicle Specification Preparation	117,563	0.56%	-	0.00%	117,563	0.11%
Vehicle Acquisition and Preparation	353,955	1.69%	20,655,711	25.11%	21,009,665	20.37%
Vehicle Lease and Rental Management	17,385	0.08%	-	0.00%	17,385	0.02%
Vehicle Licensing and Title Coordination	31,846	0.15%	-	0.00%	31,846	0.03%
<b>Total</b>	<b>570,338</b>	<b>2.73%</b>	<b>20,655,711</b>	<b>25.11%</b>	<b>21,226,049</b>	<b>20.58%</b>
<b>Vehicle and Equipment Maintenance and Repair</b>						
Light Equipment Maintenance and Repair	7,402,864	35.45%	7,700,000	9.36%	15,102,864	14.64%
Heavy Equipment Maintenance and Repair	12,098,931	57.93%	11,020,000	13.40%	23,118,931	22.41%
Equipment Pool and Loaner Operation	208,692	1.00%	-	0.00%	208,692	0.20%
<b>Total</b>	<b>19,710,487</b>	<b>94.38%</b>	<b>18,720,000</b>	<b>22.76%</b>	<b>38,430,487</b>	<b>37.26%</b>
<b>Fuel</b>						
Fuel Operations	375,522	1.80%	42,680,400	51.89%	43,055,922	41.74%
Environmental Operations	57,073	0.27%	157,000	0.19%	214,073	0.21%
<b>Total</b>	<b>432,596</b>	<b>2.07%</b>	<b>42,837,400</b>	<b>52.08%</b>	<b>43,269,996</b>	<b>41.95%</b>
<b>Vehicle and Equipment Disposal</b>						
Equipment Disposal	170,659	0.82%	43,471	0.05%	214,130	0.21%
<b>Total</b>	<b>170,659</b>	<b>0.82%</b>	<b>43,471</b>	<b>0.05%</b>	<b>214,130</b>	<b>0.21%</b>
<b>TOTAL</b>	<b>20,884,079</b>	<b>100.00%</b>	<b>82,256,582</b>	<b>100.00%</b>	<b>103,140,661</b>	<b>100.00%</b>

EXHIBIT 5  
Activity-Based Budget  
General Overhead Allocation Summary

Category	General Overhead							Allocation % See Exhibit 4
	Personnel	GSA	ITD	Transfer to Capital Program	Interfund Transfer	All Other Object Codes	Total	
<b>Administration and Support</b>								
Executive Direction and Control	159,011						159,011	
Personnel, Finance and Administration	457,211						457,211	
IT and Systems Maintenance	309,768		2,722,500				3,032,268	
Contracts Management	113,699						113,699	
Asset Management and Tracking	47,468						47,468	
<b>Total</b>	<b>1,087,158</b>	<b>-</b>	<b>2,722,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,809,658</b>	
<b>Indirect Cost Pool</b>		<b>1,008,899</b>		<b>70,919</b>	<b>1,813,100</b>	<b>2,652,250</b>	<b>5,545,168</b>	
<b>TOTAL</b>	<b>1,087,158</b>	<b>1,008,899</b>	<b>2,722,500</b>	<b>70,919</b>	<b>1,813,100</b>	<b>2,652,250</b>	<b>9,354,826</b>	
<b>Allocation of General Overhead to Direct Service Activities</b>								
<b>Vehicle and Equipment Acquisition</b>								
Fleet Assessment	2,581	2,396	6,464.55	168.40	4,305.19	6,297.75	22,213	0.24%
Vehicle Specification Preparation	6,120	5,679	15,325.79	399.23	10,206.49	14,930.33	52,661	0.56%
Vehicle Acquisition and Preparation	18,426	17,099	46,142.38	1,201.98	30,729.39	44,951.75	158,551	1.69%
Vehicle Lease and Rental Management	905	840	2,266.41	59.04	1,509.36	2,207.93	7,788	0.08%
Vehicle Licensing and Title Coordination	1,658	1,538	4,151.53	108.14	2,764.79	4,044.41	14,265	0.15%
<b>Total</b>	<b>29,690</b>	<b>27,553</b>	<b>74,351</b>	<b>1,937</b>	<b>49,515</b>	<b>72,432</b>	<b>255,478</b>	<b>2.73%</b>
<b>Vehicle and Equipment Maintenance and Repair</b>								
Light Equipment Maintenance and Repair	385,369	357,629	965,055.61	25,139.06	642,696.91	940,153.81	3,316,043	35.45%
Heavy Equipment Maintenance and Repair	629,831	584,493	1,577,246.39	41,086.23	1,050,396.85	1,536,547.93	5,419,602	57.93%
Equipment Pool and Loaner Operation	10,864	10,082	27,205.58	708.69	18,118.07	26,503.58	93,482	1.00%
<b>Total</b>	<b>1,026,064</b>	<b>952,203</b>	<b>2,569,508</b>	<b>66,934</b>	<b>1,711,212</b>	<b>2,503,205</b>	<b>8,829,126</b>	<b>94.38%</b>
<b>Fuel</b>								
Fuel Operations	19,548	18,141	48,954.00	1,275.22	32,601.84	47,690.82	168,212	1.80%
Environmental Operations	2,971	2,757	7,440.23	193.81	4,954.96	7,248.24	25,565	0.27%
<b>Total</b>	<b>22,520</b>	<b>20,898</b>	<b>56,394</b>	<b>1,469</b>	<b>37,557</b>	<b>54,939</b>	<b>193,777</b>	<b>2.07%</b>
<b>Vehicle and Equipment Disposal</b>								
Equipment Disposal	8,884	8,244	22,247.52	579.53	14,816.15	21,673.46	76,445	0.82%
<b>Total</b>	<b>8,884</b>	<b>8,244</b>	<b>22,248</b>	<b>580</b>	<b>14,816</b>	<b>21,673</b>	<b>76,445</b>	<b>0.82%</b>
<b>TOTAL</b>	<b>1,087,158</b>	<b>1,008,899</b>	<b>2,722,500</b>	<b>70,919</b>	<b>1,813,100</b>	<b>2,652,250</b>	<b>9,354,826</b>	<b>100.00%</b>

**EXHIBIT 6**  
**Activity-Based Budget**

Category	Direct		Program Specific Overhead			General Overhead	Total
	Labor	Other	GSA	Transfer to Capital Program	Infrastructure		
<b>Vehicle and Equipment Acquisition</b>							
Fleet Assessment	49,589	-	-	-	-	22,213	71,802
Vehicle Specification Preparation	117,563	-	-	787,992	-	52,661	958,217
Vehicle Acquisition and Preparation	353,955	20,655,711	1,427,767	-	-	158,551	22,595,983
Vehicle Lease and Rental Management	17,385	-	-	-	-	7,788	25,173
Vehicle Licensing and Title Coordination	31,846	-	-	-	-	14,265	46,111
<b>Total</b>	<b>570,338</b>	<b>20,655,711</b>	<b>1,427,767</b>	<b>787,992</b>	<b>-</b>	<b>255,478</b>	<b>23,697,286</b>
<b>Vehicle and Equipment Maintenance and Repair</b>							
Light Equipment Maintenance and Repair	7,402,864	7,700,000	1,534,850	847,092	-	3,316,043	20,800,849
Heavy Equipment Maintenance and Repair	12,098,931	11,020,000	713,884	393,996	-	5,419,602	29,646,412
Equipment Pool and Loaner Operation	208,692	-	-	-	-	93,482	302,173
<b>Total</b>	<b>19,710,487</b>	<b>18,720,000</b>	<b>2,248,734</b>	<b>1,241,088</b>	<b>-</b>	<b>8,829,126</b>	<b>50,749,435</b>
<b>Fuel</b>							
Fuel Operations	375,522	42,680,400	-	-	-	168,212	43,224,134
Environmental Operations	57,073	157,000	-	-	1,050,000	25,565	1,289,639
<b>Total</b>	<b>432,596</b>	<b>42,837,400</b>	<b>-</b>	<b>-</b>	<b>1,050,000</b>	<b>193,777</b>	<b>44,513,773</b>
<b>Vehicle and Equipment Disposal</b>							
Equipment Disposal	170,659	43,471	-	-	-	76,445	290,575
<b>Total</b>	<b>170,659</b>	<b>43,471</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76,445</b>	<b>290,575</b>
<b>TOTAL</b>	<b>20,884,079</b>	<b>82,256,582</b>	<b>3,676,501</b>	<b>2,029,081</b>	<b>1,050,000</b>	<b>9,354,826</b>	<b>119,251,069</b>

EXHIBIT 7  
Activity-Based Budget

Service/Activity	Total Direct Costs A	Less: Capital Outlays Included in Direct Costs B	Total Direct Costs Net of Capital Outlays A-B=C	Total Program Specific Overhead D	Less: Capital Outlays Included in Program Specific Over E	Total Program Specific Overhead Net of Capital Outlays D-E=F	General Overhead G	Less Capital Outlays Included in General Overhead H	Total General Overhead Net of Capital Outlays G-H=I	Operation and Maintenance C+F+I=J	Capital Outlays B+E+H=K	Total Budget
<b>Vehicle and Equipment Acquisition</b>												
Fleet Assessment	49,589	-	49,589	-	-	-	22,213	5,223	16,990	66,580	5,223	71,802
Vehicle Specification Preparation	117,563	-	117,563	787,992	787,992	-	52,661	12,381	40,280	157,843	800,374	958,217
Vehicle Acquisition and Preparation	21,009,665	20,298,000	711,665	1,427,767	1,427,767	-	158,551	37,277	121,274	832,939	21,763,044	22,595,983
Vehicle Lease and Rental Management	17,385	-	17,385	-	-	-	7,788	1,831	5,957	23,342	1,831	25,173
Vehicle Licensing and Title Coordination	31,846	-	31,846	-	-	-	14,265	3,354	10,911	42,757	3,354	46,111
<b>Total</b>	<b>21,226,049</b>	<b>20,298,000</b>	<b>928,049</b>	<b>2,215,760</b>	<b>2,215,760</b>	<b>-</b>	<b>255,478</b>	<b>60,065</b>	<b>195,412</b>	<b>1,123,461</b>	<b>22,573,825</b>	<b>23,697,286</b>
<b>Vehicle and Equipment Maintenance and Repair</b>												
Light Equipment Maintenance and Repair	15,102,864	-	15,102,864	2,381,942	2,381,942	-	3,316,043	779,637	2,536,406	17,639,271	3,161,579	20,800,849
Heavy Equipment Maintenance and Repair	23,118,931	-	23,118,931	1,107,880	1,107,880	-	5,419,602	1,274,206	4,145,396	27,264,327	2,382,085	29,646,412
Equipment Pool and Loaner Operation	208,692	-	208,692	-	-	-	93,482	21,978	71,503	280,195	21,978	302,173
<b>Total</b>	<b>38,430,487</b>	<b>-</b>	<b>38,430,487</b>	<b>3,489,822</b>	<b>3,489,822</b>	<b>-</b>	<b>8,829,126</b>	<b>2,075,821</b>	<b>6,753,306</b>	<b>45,183,792</b>	<b>5,565,643</b>	<b>50,749,435</b>
<b>Fuel</b>												
Fuel Operations	43,055,922	-	43,055,922	-	-	-	168,212	39,548	128,663	43,184,586	39,548	43,224,134
Environmental Operations	214,073	-	214,073	1,050,000	1,050,000	-	25,565	6,011	19,555	233,628	1,056,011	1,289,639
<b>Total</b>	<b>43,269,996</b>	<b>-</b>	<b>43,269,996</b>	<b>1,050,000</b>	<b>1,050,000</b>	<b>-</b>	<b>193,777</b>	<b>45,559</b>	<b>148,218</b>	<b>43,418,214</b>	<b>1,095,559</b>	<b>44,513,773</b>
<b>Vehicle and Equipment Disposal</b>												
Equipment Disposal	214,130	-	214,130	-	-	-	76,445	17,973	58,472	272,602	17,973	290,575
<b>Total</b>	<b>214,130</b>	<b>-</b>	<b>214,130</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76,445</b>	<b>17,973</b>	<b>58,472</b>	<b>272,602</b>	<b>17,973</b>	<b>290,575</b>
<b>TOTAL</b>	<b>103,140,661</b>	<b>20,298,000</b>	<b>82,842,661</b>	<b>6,755,582</b>	<b>6,755,582</b>	<b>-</b>	<b>9,354,826</b>	<b>2,199,418</b>	<b>7,155,408</b>	<b>89,998,069</b>	<b>29,253,000</b>	<b>119,251,069</b>

EXHIBIT 8  
Activity-Based Budget  
Unit Cost Summary

Service/Activity	Unit of Measure	Number of Units	Direct Unit Cost	Program Specific Unit Cost	General Overhead Unit Cost	Total Unit Cost	Total Operations and Maintenance	Add: Total Capital Outlays	Total Budget
<b>Vehicle and Equipment Acquisition</b>									
Fleet Assessment	Number of Vehicles and Equipment Tracked	11,321	4.38	-	1.50	5.88	66,580	5,223	71,802
Vehicle Specification Preparation	Number of Specifications Prepared	20	5,878.14	-	2,014.00	7,892.14	157,843	800,374	958,217
Vehicle Acquisition and Preparation	Number of New/Replacement Vehicles Purchased	500	1,423.33	-	242.55	1,665.88	832,939	21,763,044	22,595,983
Vehicle Lease and Rental Management	Number of Vehicles Leased/Rented	22	790.25	-	270.76	1,061.00	23,342	1,831	25,173
Vehicle Licensing and Title Coordination	Number of Licences and Titles Maintained	203	156.88	-	53.75	210.63	42,757	3,354	46,111
<b>Total</b>							<b>1,123,461</b>	<b>22,573,825</b>	<b>23,697,286</b>
<b>Vehicle and Equipment Maintenance and Repair</b>									
Light Equipment Maintenance and Repair	Number of Vehicles Maintained	7,336	2,058.73	-	345.75	2,404.48	17,639,271	3,161,579	20,800,849
Heavy Equipment Maintenance and Repair	Number of Vehicles and Equipment Maintained	2,162	10,693.31	-	1,917.39	12,610.70	27,264,327	2,382,085	29,646,412
Equipment Pool and Loaner Operation	Number of Pool and Loaner Vehicles	571	365.48	-	125.22	490.71	280,195	21,978	302,173
<b>Total</b>							<b>45,183,792</b>	<b>5,565,643</b>	<b>50,749,435</b>
<b>Fuel</b>									
Fuel Operations	Gallons of Fuel Dispensed	12,700,000	3.39	-	0.01	3.40	43,184,586	39,548	43,224,134
Environmental Operations	Gallons of Fuel Dispensed	12,700,000	0.02	-	0.00	0.02	233,628	1,056,011	1,289,639
<b>Total</b>							<b>43,418,214</b>	<b>1,095,559</b>	<b>44,513,773</b>
<b>Vehicle and Equipment Disposal</b>									
Equipment Disposal	Number of Vehicles and Equipment to be Disposed of	800	267.66	-	73.09	340.75	272,602	17,973	290,575
<b>Total</b>							<b>272,602</b>	<b>17,973</b>	<b>290,575</b>
<b>TOTAL</b>							<b>89,998,069</b>	<b>29,253,000</b>	<b>119,251,069</b>

APPENDIX 1

Program Costs by Object Code FY 2005/06 - FY 2008/09

Object	Description	2005/06 Actual	2006/07 Actual	2007/08 Actual (1)	2008/09 Budget	Change in \$	Change in %
1	Salaries	\$ 15,048,042	\$ 15,461,592	\$ 15,970,364	\$ 16,427,047	\$ 456,683	2.9%
10	Fringe Benefits	4,485,855	4,814,284	5,171,779	5,540,190	368,411	7.1%
31	Departure Incentive	3,875	3,875	2,261	4,000	1,739	76.9%
Subtotal	Personnel Costs	\$ 19,537,772	\$ 20,279,751	\$ 21,144,404	\$ 21,971,237	\$ 826,833	3.9%
115	Interpreters	130					
210	Accounting & Audit	599		25		(25)	-100.0%
215	Temporary Help Agency	199,931	315,731	263,468	210,000	(53,468)	-20.3%
220	Electrical Services	252,780	288,626	318,246	312,000	(6,246)	-2.0%
221	Water and Disposal	114,988	127,804	67,179	117,100	49,921	74.3%
223	Industrial Service	637,755	558,141	409,563	518,100	108,537	26.5%
224	Other Outside Contract	29,833	33,645	20,494	37,700	17,206	84.0%
230	Health Insurance	466		164		(164)	-100.0%
232	General Auto & Pro	113,000	113,000	117,102	122,000	4,898	4.2%
240	Outside Contractua	5,610,213	6,075,214	7,137,607	6,433,632	(703,975)	-9.9%
241	Equipment Maintenance	5,653	7,665	7,062	9,500	2,438	34.5%
242	Parks Maintenance			181			0.0%
244	Outside Maintenance	15,855	46,273	25,995	32,000	6,005	23.1%
245	ITD Maintenance	58,333	38,463	34,348	39,500	5,152	15.0%
246	Rail/Aircraft/Boat	6,608	2,116	1,110	6,800	5,690	512.6%
251	Buildings County Owners	(57,076)	68,848	(219,940)	70,000	289,940	-131.8%
252	Vehicles-Rental	100,942	85,163	(101,098)	180,000	281,098	-278.0%
253	Communications Equipment	200	187	4,350	200	(4,150)	-95.4%
254	Heavy Equipment Re		3,887				
255	Rent Payments To L		256				
260	GSA Charges	716,915	1,120,440	1,348,708	4,685,400	3,336,692	247.4%
261	ITD	447,782	543,260	592,525	2,722,500	2,129,975	359.5%
262	General County Support	11,654	10,302	15,083	11,000	(4,083)	-27.1%
265	Parks & Recreation	18,850	24,308	21,681	29,000	7,319	33.8%
266	Clerk of Courts						
310	Telecommunications	165,267	136,881	131,460	148,300	16,840	12.8%
311	Publications, Subs	(3,615)	28,197	16,014	19,300	3,286	20.5%
312	Travel	14,629	15,621	11,244	25,300	14,056	125.0%
313	Automobile Reimbursement	61,059	47,661	45,505	60,000	14,495	31.9%
314	Advertising	23,041	21,902	39,280	27,000	(12,280)	-31.3%
315	Printing & Graphics	22	195	329	1,000	671	204.0%
316	Mailing Services		50				
319	Petty Cash & Change	697	664	1,043	1,200	157	15.1%
320	Training	21,152	11,255	17,494	41,300	23,806	136.1%



# APPENDIX 1

## Program Costs by Object Code FY 2005/06 - FY 2008/09

Object	Description	2005/06 Actual	2006/07 Actual	2007/08 Actual (1)	2008/09 Budget	Change in \$	Change in %
321	Reimbursements & Refu	(333)	3,645	19,614	-	(19,614)	-100.0%
322	Taxes, Licenses & Perm	99,917	105,969	59,146	135,200	76,054	128.6%
330	Miscellaneous	27,793	17,500	14,710	30,000	15,290	103.9%
410	Fuel & Lubricants	30,843,443	29,746,548	44,723,500	42,805,400	(1,918,100)	-4.3%
430	Automotive Repair & M	11,210,568	11,099,798	11,749,466	11,540,700	(208,766)	-1.8%
432	Equipment & Non-Capit	1,097,520	1,202,777	1,329,120	1,178,850	(150,270)	-11.3%
450	Constructions Material	31					
470	Office Supplies &	96,955	86,208	84,294	81,000	(3,294)	-3.9%
471	Computer Supplies	12,712	17,657	15,402	12,000	(3,402)	-22.1%
492	Institutional, Medica	2,285	4,872	1,145	5,250	4,105	358.5%
493	Clothing & Uniforms	47,520	104,419	72,943	86,500	13,557	18.6%
496	Other Materials & Sup	19,168	7,682	5,912	23,000	17,088	289.0%
501	General Fund-Trf Out	1,400,000	3,100,000	2,100,000	2,100,000	-	0.0%
532	Other Special Obli	1,100,000					
570	Interfund Transfer	1,564,000	1,502,000	1,527,000	1,813,100	286,100	18.7%
602	Special Transportation	165	910	-	-	-	
605	Hurricane Expenses			(568)		568	-100.0%
Subtotal	Operating Expenditures	\$ 56,089,407	\$ 56,725,740	\$ 72,027,906	\$ 75,670,832	\$ 3,642,926	5.1%
910	Land Acquisition	8,776	1,547				
941	Architectural/Engineering			4,307		(4,307)	-100.0%
950	Major Machinery, Equip	247,313	132,433	78,565	261,000	182,435	232.2%
951	Automobiles & Vehicles	20,159,309	35,004,656	12,040,456	20,298,000	8,257,544	68.6%
952	Other Capitalizabl	1,007,089	1,001,654	1,502,679		(1,502,679)	-100.0%
990	Infrastructure	-	-		1,050,000	(1,991,000)	
Subtotal	Capital Expenditures	\$ 21,422,487	\$ 36,140,290	\$ 13,626,007	\$ 21,609,000	\$ 7,982,993	58.6%
Grand Total		\$ 97,049,666	\$ 113,145,781	\$ 106,798,317	\$ 119,251,069	\$ 12,452,752	11.7%
Percentage Change		6.8%	16.6%	-5.6%	11.7%		

(1) FY 2007/08 amounts are preliminary and may be subject to adjustment based on completion of the closing process and the independent audit.

Difference Between ABDS and RFRO	\$ 836,666	\$ 1,525,781		\$ 6,069
REFRO (As of 8/8/08)	\$ 96,213,000	\$ 111,620,000		\$ 119,245,000
<b>2008/09 Proposed Budget</b>				<b>\$ 115,332,000</b>
Difference Between RFRO and FY 2008/09 Proposed Budget				\$ 3,913,000
				(2,100,000) Transfer to Capital Program
				(1,813,100) Transfer to GSA
				<u>\$ (100)</u>

## Appendix 2

### Fleet Management Maintained Equipment Count By Department as of October 2008

Department	On-Road Light A	%	On-Road Heavy B	Off-Road/ Construction C	Auxiliary D	Total Heavy B+C+D=E	%	Total Vehicles and Equipment A+E=F	%
Fleet Management	25	0.3%	47	12	7	66	3.1%	91	1.0%
Fleet Management Pool and Loner	564	7.7%	7	-	-	7	0.3%	571	6.0%
General Services Administration (Non Fleet)	150	2.0%	9	5	3	17	0.8%	167	1.8%
GSA (Fleet and Non Fleet)	739	10.1%	63	17	10	90	4.2%	829	8.7%
Office of Neighborhood Compliance	78	1.1%	-	-	-	-	0.0%	78	0.8%
ETSD	87	1.2%	1	-	-	1	0.0%	88	0.9%
Consumer Services	41	0.6%	-	-	1	1	0.0%	42	0.4%
Police	2,961	40.4%	114	19	61	194	9.0%	3,155	33.2%
Fire Rescue	406	5.5%	149	5	4	158	7.3%	564	5.9%
Corrections	253	3.4%	55	-	4	59	2.7%	312	3.3%
Building	96	1.3%	1	-	-	1	0.0%	97	1.0%
Waste Management	156	2.1%	840	75	54	969	44.8%	1,125	11.8%
DERM	109	1.5%	10	-	1	11	0.5%	120	1.3%
Public Works	283	3.9%	314	117	55	486	22.5%	769	8.1%
Seaport	91	1.2%	10	7	10	27	1.2%	118	1.2%
Transit	214	2.9%	52	-	8	60	2.8%	274	2.9%
Community Action Agency	31	0.4%	14	2	-	16	0.7%	47	0.5%
Housing Agency	214	2.9%	12	5	2	19	0.9%	233	2.5%
Human Services	48	0.7%	29	-	6	35	1.6%	83	0.9%
Parks and Recreation	443	6.0%	-	-	-	-	0.0%	443	4.7%
Water and Sewer	722	9.8%	-	-	-	-	0.0%	722	7.6%
JMH (Jackson and South Hospital)	67	0.9%	2	-	-	2	0.1%	69	0.7%
State/County Health	44	0.6%	5	-	-	5	0.2%	49	0.5%
All Other Departments	253	3.4%	21	4	3	28	1.3%	281	3.0%
<b>TOTAL</b>	<b>7,336</b>	<b>100.0%</b>	<b>1,692</b>	<b>251</b>	<b>219</b>	<b>2,162</b>	<b>100.0%</b>	<b>9,498</b>	<b>100.0%</b>

Appendix 3  
Staff Time Allocation

Position Classification	Number of Positions	Executive Direction & Control	Personnel, Finance and Administration	IT and Systems Maintenance	Contracts Mgmt	Asset Mgmt and Tracking	Total Administration and Support	Fleet Assessment	Vehicle Specification Preparation	Vehicle Acquisition & Preparation	Vehicle Lease and Rentals Mgmt	Vehicle Licensing and Title Coordination
<b>Administration and Support</b>												
Admin Officer 1	1	0%	90%	0%	0%	0%	90%	0%	0%	0%	0%	0%
Admin Secretary	1	0%	100%	0%	0%	0%	100%	0%	0%	0%	0%	0%
Fleet Admin Supervisor	1	0%	55%	35%	0%	0%	90%	0%	0%	0%	0%	0%
Fleet Admin Supervisor	1	0%	45%	0%	0%	0%	45%	0%	0%	0%	0%	0%
Fleet Mgmt Director	1	60%	30%	0%	0%	0%	90%	0%	0%	0%	0%	0%
Fleet Mgmt Analyst 1	1	0%	100%	0%	0%	0%	100%	0%	0%	0%	0%	0%
Manager GSA	1	20%	40%	20%	0%	0%	80%	0%	0%	0%	0%	0%
Heavy Truck Tire Repairer	1	0%	50%	0%	0%	0%	50%	0%	0%	0%	0%	0%
Senior System Analyst	1	0%	0%	100%	0%	0%	100%	0%	0%	0%	0%	0%
<b>Vehicle Acquisition and Disposal</b>												
Account Clerk	1	0%	0%	0%	95%	0%	95%	0%	0%	0%	0%	5%
Auto Part Specialist 2	1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Auto Body Worker	1	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%
Facility Supervisor	1	0%	0%	0%	0%	0%	0%	0%	0%	50%	0%	0%
Fleet Mgmt Analyst 1	1	0%	0%	0%	0%	30%	30%	0%	0%	35%	5%	30%
Heavy Truck Tire Repairer	1	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%
Maintenance Repairer	2	0%	0%	0%	0%	0%	0%	0%	0%	50%	0%	0%
Manager Equipment Services	1	0%	0%	0%	0%	0%	0%	0%	40%	50%	10%	0%
Fleet Admin Supervisor (Reclass to Purchasing Specialist)	1	0%	0%	0%	25%	25%	50%	0%	25%	25%	0%	0%
Manager GSA	1	10%	0%	0%	30%	0%	40%	30%	30%	0%	0%	0%
<b>Vehicle Maintenance and Repair</b>												
Assistant Facility Supervisor (L)	10	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Assistant Facility Supervisor (H)	8	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Auto Parts Specialist 1	1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Auto Parts Specialist 2 (L)	4	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Auto Parts Specialist 2 (H)	9	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Data Entry Specialist 1 (L)	7	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Data Entry Specialist 1 (H)	1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Facility Supervisor (L)	9	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Facility Supervisor (H)	10	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Fleet Mgmt Service Manager (L)	1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Fleet Mgmt Service Manager (H)	1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Heavy Equipment Tech	90	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Heavy Truck Tire Repairer	15	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Light Equipment Tech	64	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Maintenance Repairer (L)	8	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Maintenance Repairer (H)	1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Secretary	2	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Semi Skilled Laborer	1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Welder	7	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Fuel</b>												
Account Clerk	1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Data Console Tech 2	1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
FM Training Specialist	1	0%	10%	0%	0%	0%	10%	0%	0%	0%	0%	0%
Facility Supervisor	1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
**GSA MIS Technical Support	1			100%			100%					
<b>Total Full Time Equivalent (FTE)</b>	<b>274</b>											

Appendix 3  
Staff Time Allocation

Position Classification	Number of Positions	Total Vehicle and Equipment Acquisition	Light Operations	Heavy Operations	Equipment Pool and Loaner Operations	Total Maintenance and Repair	Fuel Operations	Environmental Operations	Total Fuel	Equipment Disposal	Total Vehicle and Equipment Disposal	Total
<b>Administration and Support</b>												
Admin Officer 1	1	0%	0%	0%	0%	0%	10%	0%	10%	0%	0%	100%
Admin Secretary	1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Fleet Admin Supervisor	1	0%	0%	0%	0%	0%	10%	0%	10%	0%	0%	100%
Fleet Admin Supervisor	1	0%	0%	0%	0%	0%	55%	0%	55%	0%	0%	100%
Fleet Mgmt Director	1	0%	0%	0%	0%	0%	10%	0%	10%	0%	0%	100%
Fleet Mgmt Analyst 1	1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Manager GSA	1	0%	0%	0%	0%	0%	20%	0%	20%	0%	0%	100%
Heavy Truck Tire Repairer	1	0%	0%	50%	0%	50%	0%	0%	0%	0%	0%	100%
Senior System Analyst	1	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
<b>Vehicle Acquisition and Disposal</b>												
Account Clerk	1	5%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Auto Part Specialist 2	1	0%	0%	0%	0%	0%	0%	0%	0%	100%	100%	100%
Auto Body Worker	1	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Facility Supervisor	1	50%	0%	0%	0%	0%	0%	0%	0%	50%	50%	100%
Fleet Mgmt Analyst 1	1	70%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Heavy Truck Tire Repairer	1	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Maintenance Repairer	2	50%	0%	0%	0%	0%	0%	0%	0%	50%	50%	100%
Manager Equipment Services	1	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Fleet Admin Supervisor (Reclass to Purchasing Specialist)	1	50%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Manager GSA	1	60%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
<b>Vehicle Maintenance and Repair</b>												
Assistant Facility Supervisor (L)	10	0%	95%	0%	5%	100%	0%	0%	0%	0%	0%	100%
Assistant Facility Supervisor (H)	8	0%	0%	95%	5%	100%	0%	0%	0%	0%	0%	100%
Auto Parts Specialist 1	1	0%	90%	0%	10%	100%	0%	0%	0%	0%	0%	100%
Auto Parts Specialist 2 (L)	4	0%	90%	0%	10%	100%	0%	0%	0%	0%	0%	100%
Auto Parts Specialist 2 (H)	9	0%	0%	90%	10%	100%	0%	0%	0%	0%	0%	100%
Data Entry Specialist 1 (L)	7	0%	90%	0%	10%	100%	0%	0%	0%	0%	0%	100%
Data Entry Specialist 1 (H)	1	0%	0%	90%	10%	100%	0%	0%	0%	0%	0%	100%
Facility Supervisor (L)	9	0%	100%	0%	0%	100%	0%	0%	0%	0%	0%	100%
Facility Supervisor (H)	10	0%	0%	100%	0%	100%	0%	0%	0%	0%	0%	100%
Fleet Mgmt Service Manager (L)	1	0%	100%	0%	0%	100%	0%	0%	0%	0%	0%	100%
Fleet Mgmt Service Manager (H)	1	0%	0%	100%	0%	100%	0%	0%	0%	0%	0%	100%
Heavy Equipment Tech	90	0%	0%	100%	0%	100%	0%	0%	0%	0%	0%	100%
Heavy Truck Tire Repairer	15	0%	0%	100%	0%	100%	0%	0%	0%	0%	0%	100%
Light Equipment Tech	64	0%	100%	0%	0%	100%	0%	0%	0%	0%	0%	100%
Maintenance Repairer (L)	8	0%	100%	0%	0%	100%	0%	0%	0%	0%	0%	100%
Maintenance Repairer (H)	1	0%	0%	100%	0%	100%	0%	0%	0%	0%	0%	100%
Secretary	2	0%	0%	100%	0%	100%	0%	0%	0%	0%	0%	100%
Semi Skilled Laborer	1	0%	100%	0%	0%	100%	0%	0%	0%	0%	0%	100%
Welder	7	0%	0%	100%	0%	100%	0%	0%	0%	0%	0%	100%
<b>Fuel</b>												
Account Clerk	1	0%	0%	0%	0%	0%	100%	0%	100%	0%	0%	100%
Data Console Tech 2	1	0%	0%	0%	0%	0%	100%	0%	100%	0%	0%	100%
FM Training Specialist	1	0%	0%	0%	0%	0%	40%	50%	90%	0%	0%	100%
Facility Supervisor	1	0%	0%	0%	0%	0%	100%	0%	100%	0%	0%	100%
**GSA MIS Technical Support	1								0%		0%	100%
<b>Total Full Time Equivalent (FTE)</b>	<b>274</b>											

Appendix 4  
Fleet Management Program Priority Rankings by Activity

Activity Prioritization Criteria	Point Values	Executive Direction and Control	Personnel, Finance and Administration	IT and Systems Maintenance	Contracts Management	Asset Management and Tracking	Fleet Assessment	Vehicle Specification Preparation	Vehicle Acquisition and Preparation	Vehicle Lease and Rental Management	Vehicle Licensing and Title Coordination	Light Equipment Maintenance and Repair Operations	Heavy Equipment Maintenance and Repair Operations	Equipment Pool and Loaner Operation	Fuel Operations	Environmental Operations	Equipment Disposal
<b>Countywide Budget Priorities:</b>																	
1. Board of County Commission 2008/09 Budget Priorities and Policy Objectives	10 = Priority; 0 = No Priority																
2. Enabling Strategies Strategic Plan Priority Outcomes:																	
Clearly-defined performance expectations and standards	Scale of Points 0 to 5: 0 = Activity has no influence on achieving result; 1 = Activity has minimal influence; 3 = Activity influences result 5 = Activity is essential to achieving results	5	5	5													
Easily accessible information regarding County services and programs		5		5	3												
Streamlined and responsive procurement process					3												
"Best-value" goods and services (price, quality, terms and conditions)					5			5									
User friendly e-government sharing information and providing expanded hours and services																	
County processes improved through information technology																	
Motivated, dedicated workforce team aligned with organizational priorities		5	5									5	5				
Workforce skills to support County priorities (e.g. leadership, customer service, fiscal problem-solving, technology, etc.)		3	3									3	3				
Safe, convenient and accessible facilities planned and built ready to meet needs																3	
Safe and reliable vehicles ready to meet needs		5			5			5	5			5	5	5			
Sound asset management and financial investment strategies																	
Planned necessary resources to meet current and future operating and capital needs		5	5	3													

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Fleet Management Program Priority Rankings by Activity

Activity Prioritization Criteria	Point Values	Executive Direction and Control	Personnel, Finance and Administration	IT and Systems Maintenance	Contracts Management	Asset Management and Tracking	Fleet Assessment	Vehicle Specification Preparation	Vehicle Acquisition and Preparation	Vehicle Lease and Rental Management	Vehicle Licensing and Title Coordination	Light Equipment Maintenance and Repair Operations	Heavy Equipment Maintenance and Repair Operations	Equipment Pool and Loaner Operation	Fuel Operations	Environmental Operations	Equipment Disposal
Cohesive, standardized countwide financial systems and processes	Scale of Points 0 to 5: 0 = Activity has no influence on achieving result; 1 = Activity has minimal influence; 3 = Activity influences result 5 = Activity is essential to achieving results		1		1												
Alignment of services provided with community's needs and desires					3			3							3	3	
Achievement of performance targets		3		3								5	5				
Accountability to the public at every level of the organization		5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Continuously improving government		5	5	5	3		3	3				3	3	3	3	3	
Opportunities for every regisglered voter to conveniently cast a vote												2			2	2	
<b>Other Considerations:</b>																	
3. Legal Mandate	10 = Federal or State Mandate; 5 = Local Mandate; 0 = No Mandate							10			10				10	10	5
4. Demand for Service	Scale of Points -5 to 5: -5 = Demand for service is decreasing; 5 = Demand for service is increasing	5	5	5	5	5	5	5	-5	-5	-5	5	5	5	5	5	5
5. Activity Sustained by User Fees and Charges	Percentage Scale: 10 = 100%; 5 = 50%; 1 = 10%	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
6. Duplication of Services within County	0 = No duplication; -10 = Duplication of services exist within County	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10
TOTAL POINTS		46	34	31	33	10	13	36	5	0	10	33	31	20	28	29	15